School Jurisdictions

2

Section 2

FFCA Charter School Society to Mother Earth's Children's Charter School Society

Audited Financial Statements

For the Year Ended August 31, 2006

Alberta
Education

A printed copy of the audited financial statements of school jurisdictions (in three volumes) is available for reference at the following Alberta depository libraries:

- Alberta Legislature Library
- Alberta Provincial Archives
- Calgary Public Library
- Edmonton Public Library
- University of Alberta Library
- University of Calgary Library
- University of Lethbridge Library

These audited financial statements are available on the Internet http://www.education.gov.ab.ca/funding/afs/

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2008-03225/

School Jurisdictions
Audited Financial Statements

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Almadina School Society to Evergreen Catholic Separate Regional Division No. 2

Section 1 of this report is published under separate cover. It provides the audited financial statements for the year ended August 31, 2006 submitted by school jurisdictions whose legal name begins with the letters A through E inclusive.

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Section 2 - School Jurisdictions F - M

FFCA Charter School Society
to Mother Earth's Children's
Charter School Society

For the Year ended August 31, 2006

FFCA Charter School Society	541
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Greater Southern Public Francophone Education Region No. 4	799
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High Prairie School Division No. 48	865
Holy Family Catholic Regional Division No. 37	887
Holy Spirit Roman Catholic Separate Regional Division No. 4	907
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Section 3 - School Jurisdictions N - Z

New Horizons Charter School Society to Wolf Creek School Division No. 72

Section 3 of this report is published under separate cover. It provides the audited financial statements for the year ended August 31, 2006 submitted by school jurisdictions whose legal name begins with the letters N through Z inclusive.

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Red Deer Public School District No. 104	1421
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St. Paul Education Regional Division No. 1	1485
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School Jurisdiction Code: 9

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

The FFCA Charter School Society
Legal Name of School Jurisdiction

311, 5940 Macleod Trail SW Calgary, Alberta T2H 2G4
Mailing Address

403.520.3206 403.520.3209
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules The FFCA Charter School Society
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Mr. Bill McGregor	"ORIGINAL SIGNED"
Name	**Signature**

SUPERINTENDENT

Mr. Jay Pritchard	"ORIGINAL SIGNED"
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Ms. Reta Morgan	"ORIGINAL SIGNED"
Name	**Signature**

Oct. 25, 2006
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 9

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Auditors' Report

To the Members of
The FFCA Charter School Society

We have audited the statement of financial position of The FFCA Charter School Society as at August 31, 2006 and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2006 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Collins Barrow Calgary LLP

CHARTERED ACCOUNTANTS

Calgary, Alberta
October 10, 2006

School Jurisdiction Code: 9

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$2,748,867	$3,073,780
Accounts receivable (net after allowances)		$405,200	$532,410
Prepaid expenses		$167,929	$85,498
Other current assets		$0	$0
Total current assets		$3,321,996	$3,691,688
School generated assets		$0	$0
Trust assets		$52,322	$34,978
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$0	$0
Buildings	$256,132		
Less: accumulated amortization	($15,576)	$240,556	$70,088
Equipment	$659,768		
Less: accumulated amortization	($128,010)	$531,758	$353,402
Vehicles	$0		
Less: accumulated amortization	$0	$0	$0
Total capital assets		$772,314	$423,490
TOTAL ASSETS		$4,146,632	$4,150,156
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$811,647	$819,221
Deferred revenue		$900,107	$984,388
Deferred capital allocations		$0	$0
Current portion of all long term debt		$0	$0
Total current liabilities		$1,711,754	$1,803,609
School generated liabilities		$0	$0
Trust liabilities		$52,322	$34,978
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$0	$0
Less: Current portion of supported debt		$0	$0
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$369,086	$353,027
Total long term liabilities		$421,408	$388,005
TOTAL LIABILITIES		$2,133,162	$2,191,614
NET ASSETS			
Unrestricted net assets		$0	$0
Operating Reserves		$1,610,242	$1,888,079
Accumulated Operating Surplus (Deficit)		$1,610,242	$1,888,079
Investment in capital assets		$403,228	$70,463
Capital Reserves		$0	$0
Total Capital Funds		$403,228	$70,463
Total net assets		$2,013,470	$1,958,542
TOTAL LIABILITIES AND NET ASSETS		$4,146,632	$4,150,156

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 9

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$15,940,338	$15,929,227	$13,346,019
Federal Government and/or First Nations	$19,986	$0	$0
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$203,264	$203,025	$179,804
Transportation fees	$529,779	$543,100	$452,101
Other sales and services	$0	$0	$0
Investment income	$64,838	$20,000	$49,965
Gifts and donations	$318	$0	$0
Rentals of facilities	$0	$0	$0
Net school generated funds	$263,800	$0	$241,379
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$45,106	$0	$0
Total Revenues	$17,067,429	$16,695,352	$14,269,268
EXPENSES			
Certificated salaries	$7,980,833	$7,888,307	$6,306,597
Certificated benefits	$775,043	$986,616	$623,232
Uncertificated salaries and wages	$1,096,669	$1,050,596	$877,149
Uncertificated benefits	$245,341	$163,945	$158,603
Services, contracts and supplies	$6,563,518	$6,979,220	$5,523,934
Net school generated funds	$263,800	$0	$269,289
Capital and debt services			
Amortization of capital assets			
Supported	$0	$0	$0
Unsupported	$87,297	$0	$17,613
Total Amortization of capital assets	$87,297	$0	$17,613
Interest on capital debt			
Supported	$0	$0	$0
Unsupported	$0	$0	$0
Total Interest on capital debt	$0	$0	$0
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$17,012,501	$17,068,684	$13,776,417
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$54,928	($373,332)	$492,851
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$54,928	($373,332)	$492,851

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 9

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$54,928	$492,852
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($45,106)	$0
Total amortization expense	$87,297	$17,613
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$127,210	($14,040)
Prepaids and other current assets	($82,431)	($19,797)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($7,574)	($204,984)
Deferred revenue	($84,281)	$416,442
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$50,043	$688,086
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($178,256)	($77,876)
Equipment	($257,865)	($353,027)
Vehicles	$0	$0
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($436,121)	($430,903)
C. FINANCING ACTIVITIES		
Capital allocations	$61,165	$353,027
Issue of long term debt	$0	$0
Repayment of long term debt	$0	$0
Add back: supported portion	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$61,165	$353,027
Net sources (uses) of cash during year	($324,913)	$610,210
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$3,073,780	$2,463,570
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$2,748,867	$3,073,780

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 9

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006
(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$1,958,542	$70,463	$0	$1,888,079	$687,919	$0	$495,350	$0	$382,425	$0	$322,385	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$1,958,542	$70,463	$0	$1,888,079	$687,919	$0	$495,350	$0	$382,425	$0	$322,385	$0	$0	$0
Excess(def) of revenue over expenses	$54,928		$54,928											
Board funded capital transactions		$374,956	$0	($374,956)	($153,393)	$0	($178,255)	$0	($43,308)	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($87,297)	$87,297											
Amortization of capital allocations		$45,106	($45,106)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($265,737)	$265,737	$0		$0		$265,737		$0		$0	
Net transfers from operating reserves			$168,618	($168,618)	($76,233)		($12,208)		$0		($80,177)		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$2,013,470	$403.228	$0	$1,610,242	$458,293	$0	$304,887	$0	$604,854	$0	$242,208	$0	$0	$0

School Jurisdiction Code: 9

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$0	$353,027
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$0	$353,027
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$61,165	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$0
Expended capital allocations - current year	($61,165)	$61,165
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$45,106
Balance at August 31, 2006	$0	$369,086

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Purpose of the Society

The Society delivers educational programs, operating as the The FFCA Charter School Society under the authority of the School Act, Chapter S-3, Status of Alberta, January 2002. The Society was incorporated on March 21, 1996 under the Societies Act of Alberta. Through a charter established with the Minister of Education, the Society operates a charter school from six locations. The schools provide education from Early Childhood Services to Grade 12. The Charter renewal date is August 31, 2007.

The Society receives block allocation for instruction and support under Regulation 72/95. The regulation limits funding and expenses for administration. It permits the Society, within specified limits, to reallocate funding between the instruction and support blocks.

The Society is incorporated under the Societies Act of Alberta as a not-for-profit organization and is a registered charity and, as such, is exempt from income taxes.

2. Significant accounting policies

(a) Basis of accounting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles using the deferral method of accounting for not-for-profit organizations.

(b) Amortization

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Only capital assets with costs in excess of $5,000 are capitalized.

Amortization on capital assets is provided on a straight-line basis over the following range of years:

Site improvements	20 years
Furniture and equipment	20 years
Computer equipment and software	5 years
Leasehold improvements	10 years

No amortization has been recorded on the portable buildings as they were not available for use at year-end.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and investments in guaranteed investment certificates, bearing interest at 2.9%, with maturities of three months or less as at August 31, 2006.

(d) School generated funds

Funds generated from school based activities are included as assets, liabilities, revenue and expenses of the school authority because the accountability and control/ownership of these funds rests with school authority officials or their appointee. Revenue from school generated funds is recognized as the related expenses are incurred.

(e) Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses.

(f) Revenue recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted donations are recognized as revenue when received or receivable. Donations in kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

(g) Pensions

Pension costs included in these financial statements as part of salary and benefits comprise the cost of employer contributions for current service of support staff employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the The FFCA Charter School Society does not make pension contributions for certificated staff.

(h) Contributed materials and services

Contributed materials and services which are used in the normal course of the Society's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Volunteers assist the school in carrying out certain activities. Because of the difficulty of determining their fair market value and of the fact that such assistance is generally not otherwise purchased, contributed services of this nature are not recognized in the financial statements.

3. Measurement uncertainty

The valuation of accounts receivable is based on management's best estimate of the provision for doubtful accounts.

The valuation of capital assets is based on management's best estimates of the future recoverability of these assets and the determination of costs subject to classification as capital assets. The amounts recorded for amortization of the capital assets are based on management's best estimates of the remaining useful lives and period of future benefit of the related assets.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

4. Capital assets

			Net Book Value	
	Cost	**Accumulated Amortization**	**2006**	**2005**
Site improvements	$ 128,499	$ 12,850	$ 115,649	$ 122,074
Portable buildings	40,792	-	40,792	-
Furniture and equipment	211,156	36,413	174,743	148,196
Computer equipment	258,560	56,235	202,325	76,332
Software	61,553	22,512	39,041	6,800
Leasehold improvements	215,340	15,576	199,764	70,088
	$ 915,900	$ 143,586	$ 772,314	$ 423,490

Included in capital assets are $213,144 of assets purchased for the Renfrew school, Southwood school, and St. Lawrence school ($40,792 for a portable building, $137,464 in leasehold improvements, and $34,888 included in computer equipment). These assets will not be in use until the 2007 fiscal year, therefore no amortization has been taken on these assets this year.

5. Deferred revenue

	2006	2005
Province of Alberta		
Alberta Education funding	$ -	$ 53,350
Alberta Infrastructure and Transportation funding	-	421,744
	-	475,094
Parent fees received in advance	670,303	418,582
Campus based revenue	229,804	90,712
	$ 900,107	$ 984,388

6. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of restricted contributions received from donors.

The change in deferred contributions balance for the year is as follows:

	2006	2005
Balance, beginning of year	$ 353,027	$ -
Add: Contributions received during the year	61,165	353,027
Less: Amounts amortized to revenue during the year	(45,106)	-
Balance, end of year	$ 369,086	$ 353,027

7. Other financial information

At the end of the current fiscal year, the Society held funds in trust of $5,633 (2005 - $8,102) from other charter schools that belong to the Association of Alberta Public Charter Schools. These funds were related to conference fees that these other charter schools designated the Society to hold until the conference occurs.

8. Commitment

The Society leases seven locations; six of these are for campuses and one is for its head office. One campus is leased from the Calgary Catholic School Board, and this lease expires June 30, 2007. The other five campuses are leased from the Calgary Board of Education and the leases expire July 31 and August 31, 2007. The Society's head office location is leased until August 31, 2007. The Society's minimum annual lease payments for the next year total $2,076,820.

9. Economic dependence on related third party

The Society's primary source of income is from the Alberta Government. The Society's ability to continue viable operations is dependent on this funding.

10. Financial instruments

Fair values

The fair values of the Society's short-term investments, accounts receivable - Province of Alberta, accounts receivable - other, and accounts payable and accrued liabilities approximate their carrying values because of their short-term nature.

SCHEDULE A to the AFS

School Jurisdiction Cod 9

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$15,548,883	$11,712,185	$3,131,009	$648,467	$57,222	$0
(2) **Alberta Infrastructure & Transportation**	$391,455	$0	$391,455			
(3) **Alberta Finance**	$0		$0			$0
(4) **Other - Government of Alberta**	$0	$0	$0	$0	$0	$0
(5) **Federal Government and/or First Nations**	$19,986	$0	$19,986	$0	$0	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$203,264	$203,264				
(10) **Transportation fees**	$529,779			$529,779		
(11) **Other sales and services**	$0	$0	$0	$0	$0	$0
(12) **Investment income**	$64,838	$63,527	$0	$0	$1,311	$0
(13) **Gifts and donations**	$318	$318	$0	$0		$0
(14) **Rentals of facilities**	$0	$0	$0	$0	$0	$0
(15) **Net school generated funds**	$263,800	$263,800			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$45,106	$38,681	$6,425	$0		$0
(18) **TOTAL REVENUES**	$17,067,429	$12,281,775	$3,548,875	$1,178,246	$58,533	$0
EXPENSES						
(19) **Certificated salaries**	$7,980,833	$7,802,622			$178,211	$0
(20) **Certificated benefits**	$775,043	$768,147			$6,896	$0
(21) **Uncertificated salaries and wages**	$1,096,669	$784,517	$93,592	$9,975	$208,585	$0
(22) **Uncertificated benefits**	$245,341	$193,081	$11,267	$0	$40,993	$0
(23) **SUB - TOTAL**	$10,097,886	$9,548,367	$104,859	$9,975	$434,685	$0
(24) **Services, contracts & supplies**	$6,563,518	$1,560,033	$3,442,011	$1,248,448	$313,026	$0
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$263,800	$263,800				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$0	$0	$0	$0	$0	$0
(28) Unsupported	$87,297	$65,782	$14,213	$0	$7,302	$0
(29) Total Amortization	$87,297	$65,782	$14,213	$0	$7,302	$0
Interest on capital debt						
(30) Supported	$0	$0	$0	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$17,012,501	$11,437,982	$3,561,083	$1,258,423	$755,013	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$54,928	$843,793	($12,208)	($80,177)	($696,480)	$0

School Jurisdiction Code: 9

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$610,560
Base Instruction (Gr 1-12)	$9,344,001
Outreach Programs	$0
Home Education	$0
Differential Cost Funding *	$2,740,015
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$17,169
Provincial Priority Targeted Funding	
Class Size Initiative	$739,387
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$264,850
High Speed Networking	$11,979
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe): Video Conferencing ($30,000); Lease support ($1,790,923)	$1,820,922
Total Alberta Education Revenues	$15,548,883

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 9

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,102,237	$623,651	$141,933		$0	$329,582	$2,197,403
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$0	$0	$0		$0		$0
ECS Program Unit (PUF)	$0	$0	$0		$0		$0
Severe Disabilities (Gr 1-12)	$0	$0	$0		$0		$0
English as a Second Language	$34,944	$105,500	$7,119		$0		$147,563
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$0		$0		$0
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$156,525	$0	$111,711	$0	$0		$268,236
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$14,733		$0		$14,733
Class Size	$739,387	$0	$0	$0	$0		$739,387
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$6,537,676	$248,445	$735,972	$548,565	$0	$0	$8,070,660
TOTAL EXPENSES	$8,570,769	$977,596	$1,011,468	$548,565	$0	$329,582	$11,437,982

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.0	0.0
ECS Program Unit (PUF)	0.0	0.0
Severe Disabilities (Gr 1-12)	0.0	0.0

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 9

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$17,012,501**
STEP 1 **Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses**		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	**6.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2 **Calculate maximum expense limit AMOUNTS for Board and System Administration expenses**		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,020,750
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$57,222	$1,020,750
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,020,750**
Less: 2005/2006 Board and System Administration expenses		-$755,013
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$265,737

School Jurisdiction Code: 9

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$0
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$28,379	$0	$28,379	
Student fees (Non-Instructional) (Note 2)	$230,168	$0	$230,168	
Donations and grants to schools	$5,252	$0	$5,252	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$263,799	$0		$263,799
Net SGF Available for Spending				$263,799
Application of Net School Generated Funds:				
Extra-curricular activities			$122,541	
School site beautification			$0	
Field Trips			$100,814	
Equipment			$40,444	
Family literacy and other community resources			$0	
Other (describe):			$0	
Net SGF Expended (Note 3)				$263,799
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$0

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 9

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$0	$0	$0	$93,592	$93,592		$93,592
Uncertificated benefits	$0	$0	$0	$0	$11,267	$11,267		$11,267
Sub-total Remuneration	$0	$0	$0	$0	$104,859	$104,859		$104,859
Contracted Services	$299,081	$554,577	$0	$0	$2,159,029	$3,012,687		$3,012,687
Supplies	$73,832	$24,577	$0	$0	$0	$98,409		$98,409
Electricity			$127,462			$127,462		$127,462
Natural Gas/Heating Fuel			$178,046			$178,046		$178,046
Sewer and Water			$0			$0		$0
Telecommunications			$0			$0		$0
Insurance					$25,407	$25,407		$25,407
Amortization of capital assets								
Supported							$0	$0
Unsupported						$14,213		$14,213
Total Amortization						$14,213	$0	$14,213
Interest on capital debt								
Supported							$0	$0
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$372,913	$579,154	$305,508	$0	$2,289,295	$3,561,083	$0	$3,561,083
SQUARE METRES								
School Buildings								20,036.0
Non School Buildings								2,080.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 9

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Bill McGregor	0.0	$10,375	$0	$0			$10,375	$2,603
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Candace Lyle	0.0	$7,475	$0	$0			$7,475	$2,483
Name	Bill Biensch	0.0	$0	$0	$0			$0	$0
Name	Chris Best	0.0	$2,475	$0	$0			$2,475	$101
Name	Janet Grimes	0.0	$2,700	$0	$0			$2,700	$861
Name	Dan Levson	0.0	$0	$0	$0			$0	$0
Name	Mike Kelly	0.0	$2,288	$0	$0			$2,288	
Name	Richard Reukema	0.0	$1,650	$0	$0			$1,650	
Name	Dave Butler	0.0	$1,875	$0	$0			$1,875	
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*0.0*	*$28,838*	*$0*	*$0*			*$28,838*	*$6,048*
Superintendent	Jay Pritchard	1.0	$138,816	$22,382	$0	$23,909	$0	$185,107	$5,971
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Rita Morgan	1.0	$95,835	$16,229	$0	$0	$0	$112,064	$1,516
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		129.6	$7,818,108	$752,661	$0	$0	$0	$8,570,769	
Uncertificated Salaries & Wages		29.8	$971,996	$229,112	$0	$0	$0	$1,201,108	
TOTALS			**$9,053,593**	**$1,020,384**	**$0**	**$23,909**	**$0**	**$10,097,886**	

Note: Please refer to completion information on page 15

NOTE: Board member remuneration is an honoraria paid for board and committee work.

School Jurisdiction Code: 1180

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006

[School Act, Sections 147(2)(a), 148, 151(1) and 276]

FOOTHILLS SCHOOL DIVISION #38
Legal Name of School Jurisdiction

Box 5700, High River, AB T1V 1M7
Mailing Address

Phone: (403)652-3001 Fax: (403)652-4204
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules FOOTHILLS SCHOOL DIVISION #38 (Name of School Jurisdiction) presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Jerry Meulaner — "ORIGINAL SIGNED"
Name — **Signature**

SUPERINTENDENT

James P. McLellan — "ORIGINAL SIGNED"
Name — **Signature**

SECRETARY TREASURER OR TREASURER

Andrew F. Chipman — "ORIGINAL SIGNED"
Name — **Signature**

6-Dec-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 1180

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AUDITORS' REPORT

**To: The Board of Trustees
Foothills School Division #38**

We have audited the statement of financial position of Foothills School Division #38 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian Generally Accepted Auditing Standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2006, and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian Generally Accepted Accounting Principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Catalyst LLP

**HIGH RIVER, ALBERTA
NOVEMBER 3, 2006**

CHARTERED ACCOUNTANTS

Member of
PKF
International

* Catalyst Chartered Accountants operates as a limited liability partnership

School Jurisdiction Code: 1180

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

			2006	2005
ASSETS				
Current assets				
Cash and temporary investments			$7,854,545	$7,887,310
Accounts receivable (net after allowances)			$891,236	$2,879,981
Prepaid expenses			$218,856	$172,560
Other current assets			$0	$0
Total current assets			$8,964,637	$10,939,851
School generated assets			$863,080	$1,046,501
Trust assets			$409,029	$304,354
Long term accounts receivable			$0	$0
Long term investments			$0	$0
Capital assets				
Land			$1,643,103	$1,643,103
Buildings		$89,950,682		
Less: accumulated amortization		($42,918,067)	$47,032,615	$44,110,486
Equipment		$5,540,730		
Less: accumulated amortization		($3,044,118)	$2,496,612	$2,329,924
Vehicles		$6,790,662		
Less: accumulated amortization		($4,467,477)	$2,323,185	$2,496,725
Total capital assets			$53,495,515	$50,580,238
TOTAL ASSETS			$63,732,261	$62,870,944
LIABILITIES				
Current liabilities				
Bank indebtedness			$0	$0
Accounts payable and accrued liabilities			$3,269,195	$1,729,715
Deferred revenue			$685,102	$1,195,800
Deferred capital allocations			$1,962,385	$5,904,413
Current portion of all long term debt			$1,203,958	$1,241,768
Total current liabilities			$7,120,640	$10,071,696
School generated liabilities			$863,080	$1,046,501
Trust liabilities			$409,029	$304,354
Employee future benefits liability			$0	$0
Long term payables and accrued liabilities			$0	$0
Long term debt				
Supported:	Debentures and other supported debt		$4,173,411	$5,044,999
	Less: Current portion of supported debt		($871,588)	($871,588)
Unsupported:	Debentures and Capital Loans		$95,000	$190,500
	Capital Leases		$810,286	$842,698
	Mortgages		$0	$0
	Less: Current portion of unsupported debt		($332,370)	($370,180)
Other long term liabilities			$0	$0
Unamortized capital allocations			$40,923,667	$36,912,998
Total long term liabilities			$46,070,515	$43,100,282
TOTAL LIABILITIES			$53,191,155	$53,171,978
NET ASSETS				
Unrestricted net assets			$0	$0
Operating Reserves			$1,704,332	$882,192
Accumulated Operating Surplus (Deficit)			$1,704,332	$882,192
Investment in capital assets			$7,500,649	$7,601,251
Capital Reserves			$1,336,125	$1,215,523
Total Capital Funds			$8,836,774	$8,816,774
Total net assets			$10,541,106	$9,698,966
TOTAL LIABILITIES AND NET ASSETS			$63,732,261	$62,870,944

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements

School Jurisdiction Code: 1180

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$52,020,295	$49,557,600	$48,671,241
Federal Government and/or First Nations	$231,859	$248,100	$184,775
Other Alberta school authorities	$28,000	$0	$25,000
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$71,700	$38,000	$62,200
Instruction resource fees	$500,203	$578,400	$580,421
Transportation fees	$34,401	$60,000	$39,467
Other sales and services	$188,242	$404,800	$245,832
Investment income	$223,822	$70,000	$62,058
Gifts and donations	$0	$0	$0
Rentals of facilities	$47,583	$25,000	$30,966
Net school generated funds	$1,432,191	$300,000	$1,442,087
Gains on disposal of capital assets	$27,029	$0	$25,488
Amortization of capital allocations	$2,169,640	$2,157,100	$2,175,640
Total Revenues	$56,974,965	$53,439,000	$53,545,175
EXPENSES			
Certificated salaries	$27,777,093	$26,609,300	$26,385,786
Certificated benefits	$2,877,511	$3,748,200	$3,022,844
Uncertificated salaries and wages	$7,729,967	$8,017,800	$7,544,541
Uncertificated benefits	$1,948,539	$2,244,700	$1,911,656
Services, contracts and supplies	$10,113,987	$8,143,800	$8,273,697
Net school generated funds	$1,432,191	$300,000	$1,442,087
Capital and debt services			
Amortization of capital assets			
Supported	$2,394,659	$2,138,500	$2,157,202
Unsupported	$1,287,300	$1,506,100	$1,534,942
Total Amortization of capital assets	$3,681,959	$3,644,600	$3,692,144
Interest on capital debt			
Supported	$523,802	$536,600	$641,821
Unsupported	$45,233	$94,400	$47,814
Total Interest on capital debt	$569,035	$631,000	$689,635
Other interest charges	$2,543	$46,600	$3,934
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$56,132,825	$53,386,000	$52,966,324
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$842,140	$53,000	$578,851
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$842,140	$53,000	$578,851

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$842,140	$578,851
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($2,169,640)	($2,175,640)
Total amortization expense	$3,681,959	$3,692,144
Gains on disposal of capital assets	($27,029)	($25,488)
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$1,988,745	$146,773
Prepaids and other current assets	($46,296)	$111,075
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$1,539,480	$789,502
Deferred revenue	($510,698)	$287,398
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$5,298,661	$3,404,615
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($5,323,959)	($640,159)
Equipment	($940,589)	($905,306)
Vehicles	($340,939)	($152,415)
Net proceeds from disposal of capital assets	$35,280	$25,488
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($6,570,207)	($1,672,392)
C. FINANCING ACTIVITIES		
Capital allocations	$1,366,693	$308,917
Issue of long term debt	$256,659	$333,939
Repayment of long term debt	($1,256,159)	($1,439,945)
Add back: supported portion	$871,588	$1,088,289
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$1,238,781	$291,200
Net sources (uses) of cash during year	($32,765)	$2,023,423
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$7,887,310	$5,863,887
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$7,854,545	$7,887,310

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 1180

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$9,698,966	$7,601,251	$0	$2,097,715	$808,928	$471,429	$0	$137,511	$73,264	$167,300	$0	$439,283	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$9,698,966	$7,601,251	$0	$2,097,715	$808,928	$471,429	$0	$137,511	$73,264	$167,300	$0	$439,283	$0	$0
Excess(def) of revenue over expenses	$842,140		$842,140											
Board funded capital transactions		$1,024,869	$0	($1,024,869)	$0	($548,416)	$0	$0	$0	($125,730)	$0	($350,723)	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($3,681,959)	$3,681,959											
Amortization of capital allocations		$2,169,640	($2,169,640)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$386,848	($386,848)											
Net transfers to operating reserves			($822,140)	$822,140	$396,081		$394,919		$0		$31,140		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			($1,145,471)	$1,145,471		$506,690		$64,038		$79,622		$495,121		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$10,541,106	$7,500,649	$0	$3,040,457	$1,205,009	$429,703	$394,919	$201,549	$73,264	$121,192	$31,140	$583,681	$0	$0

School Jurisdiction Code: 1180

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$5,904,413	$36,912,998
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$5,904,413	$36,912,998
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$900,526	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$181,375	
Interest earned on provincial government capital allocations	$284,517	
Other capital grants and donations	$275	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$871,588
Expended capital allocations - current year	($5,308,721)	$5,308,721
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$2,169,640
Balance at August 31, 2006	$1,962,385	$40,923,667

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a. Revenue recognition

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Funding from the provincial government and other agencies that are externally restricted for purchases of capital assets are recorded as deferred capital allocations until spent. Interest earned on these deferred capital allocations is also recorded as deferred capital allocations until spent on capital projects. Once spent, they are transferred to unamortized capital allocations, and are amortized on the same basis as the capital assets to which the funding relates.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

b. Temporary investments

Temporary investments are recorded at the lower of cost and net realizable value.

c. Prepaid expenses

Supplies purchased for courses and programs conducted in a future period are recorded as prepaid expenses.

d. Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit.

e. Capital assets

Capital assets are recorded at cost and are being amortized over their estimated useful lives on a straight-line basis, commencing in the year following addition up to and including the year of disposal. Only assets with a value greater than $5,000 are capitalized and amortized. The annual amortization rates are as follows:

Buildings	3-6%
Equipment	20%
Vehicles	10-20%

f. Financial instruments

The jurisdiction's financial instruments consist of cash, money market mutual funds, accounts receivable, accounts payable and accrued liabilities, capital lease obligation and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted the fair value of these financial instruments approximates their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

g. School Generated Funds

These are funds, which come under the control and responsibility of a school principal for school activities. They are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.). Funds generated from school-based activities are recorded as follows:

Unexpended school generated funds are recorded as an asset and liability of the school jurisdiction as the use of these funds is subject to restrictions imposed by the individual fund raising group.

Costs of generating school funds include direct expenses incurred in generating these funds. Amounts expended on school activities, supplies, other instructional expenses or capital items are reported as application of school generated funds for the year.

h. Pensions

Pension costs included in salaries and benefits comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teachers' Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Foothills School Division No. 38 (the "Division") does not make pension contributions for certificated staff; therefore no disclosure has been made with regard to the effect of the Division's teachers' participation in the pension plan.

The Division participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $455,006 (2005 - $412,292) and is included in salaries, wages and benefits.

i. Operating and capital reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

j. Contributed services

Volunteers assist schools operated by the Division in carrying out certain activities. Because of the difficulty of determining their fair value and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

k. Cash and cash equivalents

Cash and temporary investments consist of cash on hand and balances with banks, money market funds and bankers acceptances maturing within three months of year end.

3. RESTRICTED CASH

Cash and temporary investments in the amount of $1,962,385 (2005 - $5,904,413) is restricted for use in capital construction projects only.

4. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Learning	$ -	$ 31,480
Alberta Infrastructure	371,670	2,513,346
Other	519,566	335,155
	$ 891,236	$ 2,879,981

5. UNEXPENDED SCHOOL GENERATED FUNDS

	2006	2005
Unexpended school generated funds, beginning of year	$1,046,501	$ 1,008,858
Sources of school generated funds for the year:		
School funds generated and donations received	2,100,268	2,027,542
Costs of generating school funds	(851,498)	(547,812)
Net school generated funds	1,248,770	1,479,730
Application of school generated funds for the year:		
School generated funds expended on school activities, supplies or other instructional expenses	(1,432,191)	(1,442,087)
	$ 863,080	$ 1,046,501

6. CAPITAL ASSETS

			2006	2005
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 1,643,103	$ -	$ 1,643,103	$ 1,643,103
Buildings	89,950,682	42,918,067	47,032,615	44,110,486
Equipment	5,540,730	3,044,118	2,496,612	2,329,924
Vehicles	6,790,662	4,467,477	2,323,185	2,496,725
	$103,925,177	$ 50,429,662	$53,495,515	$50,580,238

7. DEFERRED REVENUE

	2006	2005
Infrastructure Maintenance Renewal funding	$ 243,335	$ 449,885
AISI (Alberta Initiative for School Improvement) funding	-	279,412
O&M (Operations & Maintenance) funding	-	190,984
Classroom resources	156,000	156,000
Video conference initiative	103,207	60,000
Other	164,406	41,365
SHIP (Student Health Initiative Program) funding	18,154	18,154
	$ 685,102	$ 1,195,800

8. DEFERRED CAPITAL ALLOCATIONS

Grants and contributions received and interest earned thereon in respect of capital assets which were not acquired prior to year-end are recorded as deferred capital allocations. The changes in deferred capital allocations for the year are as follows:

	2006	2005
Balance beginning of year	$5,904,413	$6,235,655
Capital allocations	1,366,693	308,917
Capital assets acquired	(5,308,721)	(640,159)
	$1,962,385	$5,904,413

9. OBLIGATIONS UNDER CAPITAL LEASE

Under terms of various equipment leases expiring between November 2006 and June 2011, the Division is committed to minimum annual lease payments, including interest at annual rates from 4.56% to 6.37% as follows:

2007	$ 276,111
2008	198,532
2009	195,582
2010	145,385
2011	38,920
Total future minimum lease payments	854,530
Less amount representing interest	44,244
Present value of minimum net lease payments	810,286
Less current portion	237,370
	$ 572,916

10. LONG-TERM DEBT

a) Debenture Debt – Supported

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five year and beyond are as follows:

	Principal	Interest	Total
2006-2007	871,588	426,006	1,297,594
2007-2008	810,588	328,210	1,138,798
2008-2009	562,324	237,255	799,579
2009-2010	341,288	176,038	517,326
2010-2011	231,083	141,346	372,429
2011 to maturity	1,356,540	504,431	1,860,971
Total	4,173,411	1,813,286	5,986,697

b) Tescor debenture - Unsupported

There are two unsupported debentures requiring annual installment payments of principal plus interest. The debentures bear interest at 7% and 6.5%. The debentures were borrowed in accordance with the terms of By-law 96-1.

	2006	2005
Debenture. Repayable in equal annual principal payments in the amount of $42,500 plus interest, at 7%. Due May 2007.	$ 42,000	$ 84,500
Debenture. Repayable in equal annual principal payments in the amount of $53,000 plus interest, at 6.5%. Due January 2007.	53,000	106,000
	95,000	190,500
Amount included in current liabilities	95,000	95,500
Long-term portion	$ Nil	$ 95,000

11. UNAMORTIZED CAPITAL ALLOCATIONS

Includes the unamortized portion of:

- contributions for the acquisition of capital assets
- the Division's accumulated net equity in certain school buildings
- debenture repayments made by the provincial government

The change in unamortized capital allocations for the year is as follows:

	2006	**2005**
Balance, beginning of year	$ 36,912,998	$ 37,360,190
Expended capital allocation	5,308,721	640,159
Debenture principal repayments	871,588	1,088,289
Amortization of capital allocations	(2,169,640)	(2,175,640)
	$ 40,923,667	$ 36,912,998

Capital allocations are amortized on a basis consistent with the capital asset that the allocation funded.

12. RESTRICTED FUNDS

Restricted funds, created by authorization of the Board of Trustees, represented funds allocated for future capital expenditures and operating expenses. The restricted funds are established and expended in accordance with terms and conditions established by the Board.

	August 31, 2005	Appropriated during the year	Utilized during the year	August 31, 2006
Operating				
Infrastructure	$ -	$ 394,919	$ -	$ 394,919
Instruction	808,928	396,081	-	1,205,009
Transportation	-	31,140	-	31,140
Administration	73,264	-	-	73,264
	882,192	822,140	-	1,704,332
Capital				
Land	5,180	-	-	5,180
Buildings	169,632	62,273	-	231,905
Equipment	512,553	576,971	(683,930)	405,594
Vehicles	528,158	506,227	(340,939)	693,446
	1,215,523	1,145,471	(1,024,869)	1,336,125
	$ 2,097,715	$1,967,611	$(1,024,869)	$3,040,457

13. COMMITMENT

Service Providers

As at August 31, 2006, the Division has annual commitments of $2,002,347 (2005 - $1,630,394) to a service provider. Current contracts will expire in June 30, 2011 and be renegotiated at that time.

Construction Contract

The Division had a contract for completing the Heritage Heights School project. The total amount of the contract was $6,180,122 of which $5,238,196 (2005 - $958,534) has been paid to August 31, 2006.

14. ECONOMIC DEPENDENCE

The Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependant on this funding.

15. OPERATING LOAN

The Division has a credit facility agreement in place that permits borrowing upon written request and approval by the Board of Trustees at competitive rates. No collateral security will be required for the facility other than the standard Banking Resolutions and confirmation of the legal ability to borrow. As at August 31, 2006, the Division has not needed to request borrowing against this facility.

16. NET ASSETS

	2006	2005
Investment in capital assets	$ 7,500,649	$7,601,251
Restricted funds (Note 12)	3,040,457	2,097,715
	$10,541,106	$9,698,966

17. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	2006	2005
Scholarship Trusts	$409,029	$304,354

18. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
2005 – 2006	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta				
Education	$ 0	$ 0	$51,203,758	$ 0
Infrastructure & Transportation	371,670	0	190,984	0
Finance	253,552	253,552	523,802	0
Health & Wellness	0	0	0	0
Human Resources/Employment	0	0	0	0
Other Gov't of Alberta departments	7,800	0	7,800	0
Other				
Health authorities	0	0	93,951	0
Post-secondary institutions	0	0	0	0
Other Alberta school jurisdictions	0	0	28,000	0
Other related parties	0	0	0	0
Total 2005 - 2006	$ 633,022	$253,552	$52,048,295	$ 0
Total 2004 - 2005	$2,871,723	$320,016	$48,696,241	$ 0

19. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 15, 2005.

20. SUBSEQUENT EVENTS

Subsequent to August 31, 2006, the Division signed a contract for the construction of the new Red Deer Lake School. The agreed upon contract price is $10,331,000 and construction commenced in September 2006.

21. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

SCHEDULE A to the AFS

School Jurisdiction Cod 1180

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$51,203,758	$40,398,827	$5,470,874	$3,386,274	$1,938,413	$9,370
(2) **Alberta Infrastructure & Transportation**	$190,984	$0	$190,984			
(3) **Alberta Finance**	$523,802		$523,802			$0
(4) **Other - Government of Alberta**	$101,751	$92,799	$7,488	$0	$1,464	$0
(5) **Federal Government and/or First Nations**	$231,859	$224,510	$0	$0	$7,349	$0
(6) **Other Alberta school authorities**	$28,000	$28,000	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$71,700	$68,832	$0	$0	$2,868	$0
(9) **Instruction resource fees**	$500,203	$500,203				
(10) **Transportation fees**	$34,401			$34,401		
(11) **Other sales and services**	$188,242	$29,272	$16,611	$133,100	$9,259	$0
(12) **Investment income**	$223,822	$152,199	$44,764	$17,906	$8,953	$0
(13) **Gifts and donations**	$0	$0	$0	$0		$0
(14) **Rentals of facilities**	$47,583	$23,848	$21,832	$0	$1,903	$0
(15) **Net school generated funds**	$1,432,191	$1,432,191			$0	
(16) **Gains on disposal of capital assets**	$27,029	$0	$0	$25,948	$1,081	$0
(17) **Amortization of capital allocations**	$2,169,640	$0	$2,169,640	$0		$0
(18) **TOTAL REVENUES**	$56,974,965	$42,950,681	$8,445,995	$3,597,629	$1,971,290	$9,370
EXPENSES						
(19) **Certificated salaries**	$27,777,093	$27,386,277			$390,816	$0
(20) **Certificated benefits**	$2,877,511	$2,850,821			$26,690	$0
(21) **Uncertificated salaries and wages**	$7,729,967	$4,890,621	$610,890	$1,508,458	$712,971	$7,027
(22) **Uncertificated benefits**	$1,948,539	$1,266,885	$126,139	$348,278	$204,894	$2,343
(23) **SUB - TOTAL**	$40,333,110	$36,394,604	$737,029	$1,856,736	$1,335,371	$9,370
(24) **Services, contracts & supplies**	$10,113,987	$3,971,456	$4,384,231	$1,207,071	$551,229	$0
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$1,432,191	$1,432,191				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$2,394,659	$0	$2,394,659	$0	$0	$0
(28) Unsupported	$1,287,300	$732,557	$0	$495,121	$59,622	$0
(29) Total Amortization	$3,681,959	$732,557	$2,394,659	$495,121	$59,622	$0
Interest on capital debt						
(30) Supported	$523,802	$0	$523,802	$0	$0	$0
(31) Unsupported	$45,233	$38,034	$2,864	$0	$4,335	$0
(32) Other interest charges	$2,543	$1,122	$344	$344	$733	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$56,132,825	$42,569,964	$8,042,929	$3,559,272	$1,951,290	$9,370
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$842,140	$380,717	$403,066	$38,357	$20,000	$0

School Jurisdiction Code: 1180

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,162,608
Base Instruction (Gr 1-12)	$31,997,905
Outreach Programs	$208,080
Home Education	$1,272
Differential Cost Funding *	$13,530,840
Other Provincial Support	
Institutional Programs	$216,554
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$48,452
Provincial Priority Targeted Funding	
Class Size Initiative	$1,376,609
Student Health Initiative (SHI)	$234,882
Alberta Initiative for School Improvement (AISI)	$1,101,051
High Speed Networking	$189,589
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$911,977
Other Alberta Education Revenues (describe): IP Convergence, Video Conferencing , Moving Portables	$223,939
Total Alberta Education Revenues	$51,203,758

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education). English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 1180

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$2,710,921	$1,540,937	$334,921		$0	$771,713	$5,358,492
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$1,201,248	$416,253	$158,818		$0		$1,776,319
ECS Program Unit (PUF)	$44,739	$324,177	$217,655		$0		$586,571
Severe Disabilities (Gr 1-12)	$1,383,912	$2,943,815	$164,436		$0		$4,492,163
English as a Second Language	$597,026	$48,622	$14,738		$0		$660,386
French Language Program & Francisation (all jurisdictions)	$852,987	$0	$34,193		$0		$887,180
First Nations, Metis and Inuit Education (ECS - Gr 12)	$58,100	$40,394	$25,923		$0		$124,417
Home Education	$0	$0	$9,281		$0		$9,281
Institutional Programs	$251,430	$30,043	$18,472		$0		$299,945
Alberta Initiative for School Improvement	$687,713	$7,013	$379,687	$26,638	$0		$1,101,051
Student Health Initiative	$0	$225,376	$9,506		$0		$234,882
High Speed Networking			$157,708		$0		$157,708
Class Size	$1,376,609	$0	$0	$0	$0		$1,376,609
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$21,072,412	$580,876	$1,835,172	$584,308	$0	$1,432,191	$25,504,960
TOTAL EXPENSES	$30,237,097	$6,157,506	$3,360,510	$610,946	$0	$2,203,904	$42,569,964

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	15.5	8.2
ECS Program Unit (PUF)	5.0	23.6
Severe Disabilities (Gr 1-12)	20.2	95.2

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets

School Jurisdiction Code: 1180

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$56,132,825**
STEP 1		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		**4.00%**
If "Total Net Enrolled Students" are 2,000 and less = 6%		

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,245,313
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	6,450	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,245,313**
Less: 2005/2006 Board and System Administration expenses		-$1,951,290
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$294,023

School Jurisdiction Code: 1180

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$1,046,501
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$472,402	$451,342	$21,060	
Student fees (Non-Instructional) (Note 2)	$1,304,268	$344,779	$959,489	
Donations and grants to schools	$254,734	$0	$254,734	
Other (describe): Interest,Special Proj. Workbooks	$68,864	$55,377	$13,487	
Net Additions to SGF	$2,100,268	$851,498		$1,248,770
Net SGF Available for Spending				$2,295,271
Application of Net School Generated Funds:				
Extra-curricular activities			$921,226	
School site beautification			$18,349	
Field Trips			$399,372	
Equipment			$12,560	
Family literacy and other community resources			$5,930	
Other (describe):			$74,754	
Net SGF Expended (Note 3)				$1,432,191
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$863,080

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1180

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$354,081	$0	$60,430	$196,379	$610,890		$610,890
Uncertificated benefits	$0	$72,503	$0	$13,106	$40,530	$126,139		$126,139
Sub-total Remuneration	$0	$426,584	$0	$73,536	$236,909	$737,029		$737,029
Contracted Services	$1,572,749	$371,186	$0	$767,196	$10,266	$2,721,397		$2,721,397
Supplies	$16,285	$272,795	$0	$77,412	$46,705	$413,197		$413,197
Electricity			$634,724			$634,724		$634,724
Natural Gas/Heating Fuel			$517,872			$517,872		$517,872
Sewer and Water			$74,371			$74,371		$74,371
Telecommunications			$12,300			$12,300		$12,300
Insurance					$10,370	$10,370		$10,370
Amortization of capital assets								
Supported							$2,394,659	$2,394,659
Unsupported						$0		$0
Total Amortization						$0	$2,394,659	$2,394,659
Interest on capital debt								
Supported							$523,802	$523,802
Unsupported				$2,864		$0		$2,864
Other interest charges						$344		$344
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,589,034	$1,070,565	$1,239,267	$921,008	$304,250	$5,121,604	$2,918,461	$8,042,929
SQUARE METRES								
School Buildings								78,782.9
Non School Buildings								3,572.2

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 1180

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-2006
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Muelaner, Jerry	1.0	$23,885	$761	$0			$24,646	$13,347
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Gardner, Douglas	1.0	$19,090	$757	$0			$19,847	$9,018
Name	Lippitt, Faye	1.0	$14,371	$532	$0			$14,903	$6,914
Name	Longson, Rhonda	1.0	$14,445	$535	$0			$14,980	$3,061
Name	Copland, Laurie	1.0	$11,530	$392	$0			$11,922	$1,369
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*5.0*	*$83,321*	*$2,977*	*$0*			*$86,298*	*$33,709*
Superintendent	McLellan, James P.	1.0	$151,103	$9,040	$0	$0	$0	$160,143	$0
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Chipman, Drew	1.0	$126,663	$20,000	$0	$0	$0	$146,663	$10,815
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		370.9	$27,625,990	$2,869,275	$0	$0	$0	$30,495,265	
Uncertificated Salaries & Wages		298.5	$7,519,983	$1,924,758	$0	$0	$0	$9,444,741	
TOTALS			**$35,507,060**	**$4,826,050**	**$0**	**$0**	**$0**	**$40,333,110**	

Note: Please refer to completion information on page 15.

School Jurisdiction Code: 3260

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006

[School Act, Sections 147(2)(a), 148, 151(1) and 276]

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833
Legal Name of School Jurisdiction

231 HARDIN STREET, FORT MCMURRAY, AB
Mailing Address

PHONE: (780) 799-7900 FAX: (780) 743-2655
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO 2833
(Name of School Jurisdiction)
presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

JEFF THOMPSON	**"ORIGINAL SIGNED"**
Name	**Signature**

SUPERINTENDENT

KATHLEEN E. RHYASON	**"ORIGINAL SIGNED"**
Name	**Signature**

SECRETARY TREASURER OR TREASURER

ALLAN E KALLAL	**"ORIGINAL SIGNED"**
Name	**Signature**

28-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 3260

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MEYERS NORRIS PENNY LLP

AUDITORS' REPORT

TO THE BOARD OF TRUSTEES
FORT MCMURRAY SCHOOL DISTRICT NO. 2833

We have audited the statement of financial position of the Fort McMurray Public School District No. 2833 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school district as at August 31, 2006 and the results of its operations and changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Meyers Norris Penny LLP

Fort McMurray, Alberta
November 21, 2006

Chartered Accountants

School Jurisdiction Code: 3260

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$7,542,701	$3,705,273
Accounts receivable (net after allowances)		$1,968,336	$2,422,011
Prepaid expenses		$363,855	$447,664
Other current assets		$0	$0
Total current assets		$9,874,892	$6,574,948
School generated assets		$914,476	$757,969
Trust assets		$858,791	$679,852
Long term accounts receivable		$200,000	$300,000
Long term investments		$0	$0
Capital assets			
Land		$4,092,703	$4,092,703
Buildings	$65,948.162		
Less: accumulated amortization	($33,175,856)	$32,772,306	$33,336,799
Equipment	$7,067,861		
Less: accumulated amortization	($6,428,056)	$639,805	$720,932
Vehicles	$308,778		
Less: accumulated amortization	($222,906)	$85,872	$19,778
Total capital assets		$37,590,686	$38,170,212
TOTAL ASSETS		$49,438,845	$46,482,981
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$2,863,387	$2,157,046
Deferred revenue		$1,116,284	$1,831,311
Deferred capital allocations		$5,323,923	$2,267,296
Current portion of all long term debt		$376,823	$895,847
Total current liabilities		$9,680,417	$7,151,500
School generated liabilities		$914,476	$757,969
Trust liabilities		$858,791	$679,852
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$501,693	$1,397,540
Less: Current portion of supported debt		($376,823)	($895,847)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$28,169,408	$28,340,663
Total long term liabilities		$30,067,545	$30,280,177
TOTAL LIABILITIES		$39,747,962	$37,431,677
NET ASSETS			
Unrestricted net assets		$20,828	$0
Operating Reserves		$669,348	$487,044
Accumulated Operating Surplus (Deficit)		$690,176	$487,044
Investment in capital assets		$8,919,592	$8,432,008
Capital Reserves		$81,115	$132,252
Total Capital Funds		$9,000,707	$8,564,260
Total net assets		$9,690,883	$9,051,304
TOTAL LIABILITIES AND NET ASSETS		$49,438,845	$46,482,981

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements

School Jurisdiction Code: 3260

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$40,470,460	$42,425,684	$39,683,313
Federal Government and/or First Nations	$409,219	$264,000	$266,268
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$247,960	$260,800	$245,916
Transportation fees	$227,302	$150,000	$198,471
Other sales and services	$24,218	$0	$2,675
Investment income	$120,847	$100,000	$87,933
Gifts and donations	$166,542	$113,411	$166,135
Rentals of facilities	$34,580	$26,500	$22,180
Net school generated funds	$625,564	$920,000	$716,095
Gains on disposal of capital assets	$0	$0	$24,362
Amortization of capital allocations	$1,848,288	$1,654,957	$1,785,603
Total Revenues	$44,174,980	$45,915,352	$43,198,951
EXPENSES			
Certificated salaries	$18,716,256	$20,008,465	$17,955,492
Certificated benefits	$3,271,504	$3,492,022	$2,919,397
Uncertificated salaries and wages	$8,160,892	$8,815,210	$8,285,021
Uncertificated benefits	$2,119,426	$2,087,262	$2,012,677
Services, contracts and supplies	$8,284,857	$9,128,733	$9,127,354
Net school generated funds	$625,564	$920,000	$716,095
Capital and debt services			
Amortization of capital assets			
Supported	$1,848,288	$1,654,957	$1,785,603
Unsupported	$378,888	$370,000	$371,555
Total Amortization of capital assets	$2,227,176	$2,024,957	$2,157,158
Interest on capital debt			
Supported	$111,815	$1,139,398	$205,944
Unsupported	$0	$0	$0
Total Interest on capital debt	$111,815	$1,139,398	$205,944
Other interest charges	$17,911	$10,000	$8,984
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$43,535,401	$47,626,047	$43,388,122
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$639,579	($1,710,695)	($189,171)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$639,579	($1,710,695)	($189,171)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 3260

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$639,579	($189,171)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,848,288)	($1,785,603)
Total amortization expense	$2,227,176	$2,157,158
Gains on disposal of capital assets	$0	($24,362)
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$453,675	$391,738
Prepaids and other current assets	$83,809	$105,880
Long term accounts receivable	$100,000	$100,000
Long term investments	$0	$0
Payables and accrued liabilities	$706,341	($107,795)
Deferred revenue	($715,027)	($558,687)
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$1,647,265	$89,158
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($1,434,065)	($1,107,381)
Equipment	($132,798)	($348,446)
Vehicles	($80,787)	$0
Net proceeds from disposal of capital assets	$0	$32,311
Other (describe) Approval to move DCA monies to cover mold abate	($89,405)	$0
Total sources (uses) of cash from Investing activities	($1,737,055)	($1,423,516)
C. FINANCING ACTIVITIES		
Capital allocations	$3,927,217	$1,400,160
Issue of long term debt	$0	$0
Repayment of long term debt	($895,847)	($896,314)
Add back: supported portion	$895,848	$896,314
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$3,927,218	$1,400,160
Net sources (uses) of cash during year	$3,837,428	$65,802
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$3,705,273	$3,639,471
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$7,542,701	$3,705,273

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 3260

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	**INVESTMENT IN CAPITAL ASSETS**	**UNRESTRICTED NET ASSETS**	**TOTAL INTERNALLY RESTRICTED NET ASSETS** Cols. 5 to 14	**INTERNALLY RESTRICTED NET ASSETS**									
					School Based		**Infrastructure**		**Board & System Admin.**		**Transportation**		**External Services**	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$9,051,304	$8,432,008	$0	$619,296	$353,870	$0	$0	$132,252	$133,174	$0	$0	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$9,051,304	$8,432,008	$0	$619,296	$353,870	$0	$0	$132,252	$133,174	$0	$0	$0	$0	$0
Excess(def) of revenue over expenses	$639,579		$639,579											
Board funded capital transactions		$866,472	$0	($866,472)	($95,928)	$0	($637,639)	($111,137)	($21,768)	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,227,176)	$2,227,176											
Amortization of capital allocations		$1,848,288	($1,848,288)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($937,639)	$937,639	$200,000		$637,639		$100,000		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			($60,000)	$60,000		$0		$30,000		$30,000		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$9,690,883	$8,919,592	$20,828	$750,463	$457,942	$0	$0	$51,115	$211,406	$30,000	$0	$0	$0	$0

School Jurisdiction Code: 3260

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$2,267,296	$28,340,663
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$2,267,296	$28,340,663
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$3,875,326	
	Infrastructure & Transportation-School/Modular Project Capital *	$0	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		$51,891	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$895,848
Expended capital allocations - current year		($870,590)	$870,590
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$89,405
Capital allocations amortized to revenue			$1,848,288
Balance at August 31, 2006		$5,323,923	$28,169,408

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

The Fort McMurray Public School District No. 2833 is governed by statutes of Alberta under the authority of the School Act, Chapter S-3, Statutes of Alberta, January 1, 2003. The district is exempt from payment of income tax under Section 149 of the Income Tax Act.

The district receives block allocations for instruction and support under Regulation 72/95. The regulation limits funding and expenses for administration. It permits the district, within specified limits, to reallocate funding between instruction and support blocks.

1. Significant accounting principles and reporting practices:

The financial statements have been prepared by district management in accordance with Canadian generally accepted accounting principles for school jurisdictions and include the following significant accounting policies:

a) Revenue recognition:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable.

Capital allocations from the province or other funding agencies are recorded as deferred capital allocations until spent. Once spent they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the capital allocation. Capital allocations relate to capital grants received or to debenture support received for debt originally incurred for the purpose of acquiring capital assets.

1. Significant accounting principles and reporting practices (continued):

b) Capital assets:

The district recognizes a capital asset as any capital asset that has an original cost greater than $5,000 per item except that where a new facility is constructed the initial furnishings for the facility are capitalized en bloc.

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight line basis at the following rates:

	Years
Buildings	10 - 40
Equipment	5
Vehicles	5

No amortization is recorded in the year the asset is acquired.

Where a disposition of supported capital assets occurs, the net gain from the disposition is recorded in the deferred capital allocations account. This policy provides for a matching of revenues and expenditure streams related to future capital asset purchases.

c) Long-lived assets:

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The District performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in earnings for the year.

Prices for similar items are used to measure fair value of long-lived assets.

d) Vacation pay:

Vacation pay is accrued in the period in which the employee earns the benefit.

1. **Significant accounting principles and reporting practices (continued):**

e) School generated funds:

Funds generated from school-based activities are included as assets, liabilities, revenues and expenses of the district because the fiduciary responsibility for these funds rests with the Board of Trustees of the district. These funds are usually collected and retained at the schools for expenditures paid at the school level (e.g. yearbooks, graduation costs, field trips).

f) Contributed services:

Volunteers assist schools operated by the district in carrying out certain activities. Because of the difficulty of determining fair value and because such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

g) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teachers' Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, Fort McMurray Public School District No. 2833 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of $442,452 for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

h) Supplementary Integrated Pension Plan

The ASBA Supplementary Integrated Pension Plan, a multi-employer registered defined benefit pension plan sponsored by the ASBA which is subject to the provisions of the Alberta Employment Pension Plans Act, was effective January 1, 2004. It provides supplementary pension benefits to a prescribed class of employees. The plan supplements the Local Authorities Pension Plan ("LAPP") or the Alberta Teachers' Retirement Fund ("ATRF").

The current service contributions in 2006 were $19,900 (2005 - $23,000) and past service costs were $27,356 (2005 - $27,356). The accrued benefit liability at August 31, 2006 is $42,900 (2005 - $23,000).

1. Significant accounting principles and reporting practices (continued):

i) Non-registered Supplementary Integrated Pension Plan

The non-registered SiPP, a retirement program sponsored by Fort McMurray Public School District No. 2833, commenced in 2005 and provides supplementary pension benefits to a prescribed class of employees. The non-registered SiPP supplements the LAPP, ATRF, and registered SiPP pension plans.

The cost of the non-registered SiPP post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement ages of employees.

j) Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies which will be consumed subsequent to year end, and are accordingly recorded as prepaid expenses. Prepaid expenses also include the unexpired insurance premiums at year end and fair value of future rent payments.

k) Operating and capital reserves

Reserves are established at the discretion of the district trustees or by external restrictions to set aside funds for operating and for capital expenditures. Such reserves are appropriations of unrestricted net assets.

l) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Prepaid expenses include amounts based on estimates of the fair value of future rent payments. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

2. Accounts receivable:

	2006 ($000)	2005 ($000)
Provincial government	1,367	1,877
Federal government	226	158
Other	375	387
	1,968	2,422

3. Trust assets and liabilities:

	2006 ($000)	2005 ($000)
Scholarships	70	68
Music	13	15
Deferred leave	110	56
Student Health Initiative	656	532
Other	10	9
	859	680

4. Long-term mortgage receivable:

Long-term mortgage receivable consists of a mortgage receivable from The YMCA of Wood Buffalo, A Society. The amount is repayable in four yearly payments of $100,000 commencing on June 30, 2005 through June 30, 2008. The amount is non-interest bearing and is secured by the Birchwood School building.

5. Capital assets:

	2006 ($000)			2005 ($000)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	4,093		4,093	4,093
Buildings	65,948	33,176	32,772	33,337
Equipment	7,068	6,428	640	721
Vehicles	309	223	86	20
	77,418	39,827	37,591	38,171

6. Sale of Birchwood School:

On June 30, 2004, the district sold the Birchwood School building and assigned the head lease for the land on which it sits to The YMCA of Wood Buffalo, A Society for $500,000. The district secured a mortgage for $400,000 as described in Note 4. As part of the agreement, the district is renting back specified space in the Birchwood School building and the Westwood YMCA building at a rate of $1 per year. The fair value of the rent to be paid over the subsequent two years at Birchwood School and the subsequent five years at Westwood YMCA has been established at $100,301 of which $32,206 (2005 – $32,206) has been recorded as an expense in the current year and $30,522 (2005 – $62,728) has been included in prepaid expenses.

7. Energy retrofit project:

During the year, the district undertook an energy retrofit project to increase the energy efficiency of district buildings. The costs incurred in the current year were $205,310 (2005 – $214,627). These amounts have been added to the cost of the buildings included in Note 5. The district expects to recover the cost of this project over the next 10 years in the form of lower utility and maintenance costs.

The district funded this capital project by using operating monies. As a direct result unrestricted and restricted net assets have been depleted.

8. Bank indebtedness:

At August 31, 2005, the district had a line of credit totaling $2,000,000, none of which was drawn. Interest is charged at the prime rate.

9. Deferred revenue:

	2006 ($000)	2005 ($000)
B.Q.R.P. (I.M.P.) and modernization block funding	320	340
Alberta Education – Ecole Boreal	171	588
Alberta initiative for school improvement (AISI)	82	191
Native education project	122	183
Alberta Finance – Intensive Instructional project	77	110
Alberta Education – High Speed Internet		60
Alberta Finance – Early Intervention program	18	14
Alberta Education – Class Size Initiative	326	345
	1,116	1,831

10. Deferred capital allocations:

Deferred capital allocations show the cumulative amount of capital funding received for projects which the district had not completed as of the year end. These projects and deferred capital allocations may be summarized as follows:

	2006 ($000)	2005 ($000)
Unspent capital modernization funding	4,664	1,405
Unspent proceeds from disposal of supported assets	608	608
Interest earned on funding balances	52	254
	5,324	2,267

Included in unspent proceeds from disposal of supported assets is the $200,000 (2005 - $300,000) mortgage receivable from The YMCA of Wood Buffalo, A Society. This amount will be received over the next two years in yearly installments of $100,000. As such, this amount does not represent cash currently available for capital expenditures.

11. Related party transactions:

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Fort McMurray Public School District No. 2833 had related party transactions for the year ended August 31, 2006 recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at amount of consideration agreed upon between the related parties.

	Balances		Transactions	
2005-2006	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta:				
Education	1,367,224	260,127	35,639,008	
Infrastructure & Transportation			4,018,123	
Finance			111,815	
Other Gov't of Alberta Departments			701,514	
Other:				
Post-secondary institutions				139,597
Other Alberta school Jurisdictions		54,663		54,663
Other related parties				81,975
TOTAL 2005-2006	1,367,224	314,790	40,470,460	276,235
TOTAL 2004-2005	1,877,276	45,553	41,468,918	450,295

12. Long-term debt:

	2006 ($000)	2005 ($000)
Alberta Municipal Finance Corporation Debentures, interest rates vary from 9.38% to 12.0%. Repayment terms vary from 9 years to 25 years	501	1,398
Less current portion	(377)	(896)
	124	502

Principal repayments of long-term debt are required as follows:

		($000)
Year ended August 31,	2007	377
	2008	113
	2009	11
		501

The debentures are secured against district school buildings having a net book value of $32,772,306.

13. Restricted operating reserves:

	2006 ($000)	2005 ($000)
Board and system administration	211	133
System instruction support	458	354
	669	487

14. Unamortized capital allocations:

Unamortized capital allocations (UCA) represent the district's net investment in supported capital assets. Capital allocations are increased by the principal portion of debenture debt repayments and by expenditures made from the deferred capital allocations account. Capital allocations are amortized over the same period of time as the related assets.

Changes in unamortized capital allocations may be summarized as follows:

	2006 ($000)	2005 ($000)
Balance, beginning of year	28,341	28,050
Debenture support received	897	896
Capital asset expenditures	870	1,180
Less amortization of capital allocations	(1,848)	(1,785)
Approved transfers	(89)	
Balance, end of year	28,169	28,341

15. Supplementary cash flow information:

Interest paid and received:

	2006 ($000)	2005 ($000)
Interest paid	112	206
Interest received	173	141

16. Budget amounts:

The budget was prepared by district management with Board of Trustees' approval given on June 21, 2005. It is presented for information purposes only and has not been audited.

17. Contingent assets:

The district is a member of The Urban Schools Insurance Consortium (USIC) which facilitates the placement of property and liability insurance coverage for thirteen jurisdictions throughout the province of Alberta. Premium rebates are received from favorable claims experience and accumulated by the consortium to self-insure a portion of the members' risk. The district's share of the accumulated consortium funds as at August 31, 2006 was $209,106 (2005 - $255,330). This contingent asset is not recorded in the accounts of the district. Amounts paid to USIC are recorded as insurance expense in the year paid.

18. Financial instruments:

The district's financial instruments consist of cash, accounts receivable, mortgage receivable, accounts payable, accrued liabilities and long-term debt.

The carrying amount of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

The fair value of the district's long-term mortgage receivable described in Note 4 has been estimated at $187,267 (2005 - $274,896) using expected future cash flows, discounted at rates which factor in the risk associated with the investment. The district has not written down the value of the long-term mortgage receivable to fair value as at August 31, 2006 as it believes the carrying amount reflects the face value as shown in the legal contract.

The fair value of the district's fixed rate long-term debt is also approximated by its carrying value, as there have been no significant changes in lending rates or other conditions.

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the district manages exposure through its normal operating and financing activities. The district is not exposed to interest rate risk primarily because debt is support by government agencies.

Unless otherwise noted, it is management's opinion that the district is not exposed to significant interest, currency or credit risks arising from these financial instruments.

19. Operating lease commitments:

The following operating lease payments are required under the terms of leases expiring through 2011:

2007	178,059
2008	178,059
2009	168,798
2010	14,022
2011	13,286

20. Economic dependence on related third party:

The district's primary source of income is from the Alberta Government. The district's ability to continue viable operations is dependent on this funding.

SCHEDULE A to the AFS

School Jurisdiction Cod 3260

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$35,639,008	$32,398,616	$0	$1,140,392	$2,100,000	$0
(2) **Alberta Infrastructure & Transportation**	$4,018,123	$0	$4,018,123			
(3) **Alberta Finance**	$111,815		$111,815			$0
(4) **Other - Government of Alberta**	$701,514	$284,286	$417,228	$0	$0	$0
(5) **Federal Government and/or First Nations**	$409,219	$403,459	$5,760	$0	$0	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$247,960	$247,960				
(10) **Transportation fees**	$227,302			$227,302		
(11) **Other sales and services**	$24,218	$24,218	$0	$0	$0	$0
(12) **Investment income**	$120,847	$90,847	$10,000	$10,000	$10,000	$0
(13) **Gifts and donations**	$166,542	$166,542	$0	$0		$0
(14) **Rentals of facilities**	$34,580	$26,000	$0	$0	$8,580	$0
(15) **Net school generated funds**	$625,564	$625,564			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$1,848,288	$0	$1,848,288	$0		$0
(18) **TOTAL REVENUES**	$44,174,980	$34,267,492	$6,411,214	$1,377,694	$2,118,580	$0
EXPENSES						
(19) **Certificated salaries**	$18,716,256	$18,430,980			$285,266	$0
(20) **Certificated benefits**	$3,271,504	$3,249,555			$21,949	$0
(21) **Uncertificated salaries and wages**	$8,160,892	$5,776,366	$1,519,831	$37,529	$827,166	$0
(22) **Uncertificated benefits**	$2,119,426	$1,543,204	$384,906	$8,135	$183,181	$0
(23) **SUB - TOTAL**	$32,268,078	$29,000,115	$1,904,737	$45,664	$1,317,562	$0
(24) **Services, contracts & supplies**	$8,284,857	$4,264,861	$2,317,452	$1,230,239	$472,305	$0
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$625,564	$625,564				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,848,288	$0	$1,839,035	$0	$9,253	$0
(28) Unsupported	$378,888	$153,552	$184,453	$0	$40,883	$0
(29) Total Amortization	$2,227,176	$153,552	$2,023,488	$0	$50,136	$0
Interest on capital debt						
(30) Supported	$111,815	$0	$111,815	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$17,911	$0	$0	$0	$17,911	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$43,535,401	$34,044,092	$6,357,492	$1,275,903	$1,857,914	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$639,579	$223,400	$53,722	$101,791	$260,666	$0

School Jurisdiction Code: 3260

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,149,888
Base Instruction (Gr 1-12)	$21,027,225
Outreach Programs	$52,020
Home Education	$10,176
Differential Cost Funding *	$11,436,278
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$39,727
Provincial Priority Targeted Funding	
Class Size Initiative	$1,151,291
Student Health Initiative (SHI)	$3,161
Alberta Initiative for School Improvement (AISI)	$674,544
High Speed Networking	$60,000
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$352,905
Other Alberta Education Revenues (describe): Funding adjustments related to prior years	($318,207)
Total Alberta Education Revenues	$35,639,008

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 3260

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$2,449,958	$1,725,624	$989,564		$0	$0	$5,165,146
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$43,659	$281,688	$137,359		$0		$462,706
ECS Program Unit (PUF)	$81,824	$639,106	$278,734		$0		$999,664
Severe Disabilities (Gr 1-12)	$906,873	$2,708,767	$7,082		$0		$3,622,722
English as a Second Language	$0	$341,042	$0		$0		$341,042
French Language Program & Francisation (all jurisdictions)	$56,730	$0	$14,182		$0		$70,912
First Nations, Metis and Inuit Education (ECS - Gr 12)	$108,053	$85,401	$72,891		$0		$266,345
Home Education	$10,176	$0	$0		$0		$10,176
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$394,405	$20,276	$259,863	$0	$0		$674,544
Student Health Initiative	$0	$0	$3,161		$0		$3,161
High Speed Networking			$121,531		$0		$121,531
Class Size	$1,135,731	$2,813	$12,748	$0	$0		$1,151,292
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$16,493,138	$1,514,854	$2,367,747	$0	$0	$153,552	$21,154,851
TOTAL EXPENSES	$21,680,547	$7,319,571	$4,264,862	$0	$0	$153,552	$34,044,092

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.5	9.2
ECS Program Unit (PUF)	0.8	20.8
Severe Disabilities (Gr 1-12)	18.5	88.1

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 3260

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	**$43,535,401**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**4.94%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,149,343
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,149,343**
Less: 2005/2006 Board and System Administration expenses		-$1,857,914
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$291,429

* Input opening carryforward board & system administration amount available from previous years, as determined by Alberta Education and provided to school jurisdiction chief finanical officer contacts.

School Jurisdiction Code: 3260

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$757,969
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$1,040,680	$264,586	$776,094	
Student fees (Non-Instructional) (Note 2)	$0	$0	$0	
Donations and grants to schools	$5,977	$0	$5,977	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$1,046,657	$264,586		$782,071
Net SGF Available for Spending				$1,540,040
Application of Net School Generated Funds:				
Extra-curricular activities			$625,564	
School site beautification			$0	
Field Trips			$0	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe):			$0	
Net SGF Expended (Note 3)				$625,564
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$914,476

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 3260

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,128,490	$230,034	$0	$0	$161,307	$1,519,831		$1,519,831
Uncertificated benefits	$299,469	$57,302	$0	$0	$28,135	$384,906		$384,906
Sub-total Remuneration	$1,427,959	$287,336	$0	$0	$189,442	$1,904,737		$1,904,737
Contracted Services	$19,174	$815,107	$0	$371,032	$0	$1,205,313		$1,205,313
Supplies	$17,628	$40,333	$0	$0	$0	$57,961		$57,961
Electricity			$440,256			$440,256		$440,256
Natural Gas/Heating Fuel			$460,175			$460,175		$460,175
Sewer and Water			$85,100			$85,100		$85,100
Telecommunications			$16,718			$16,718		$16,718
Insurance					$51,929	$51,929		$51,929
Amortization of capital assets								
Supported							$1,839,035	$1,839,035
Unsupported						$184,453		$184,453
Total Amortization						$184,453	$1,839,035	$2,023,488
Interest on capital debt								
Supported							$111,815	$111,815
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,464,761	$1,142,776	$1,002,249	$371,032	$241,371	$4,406,642	$1,950,850	$6,357,492
SQUARE METRES								
School Buildings								58,229.3
Non School Buildings								5,916.8

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 3260

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Jeff Thompson	1.0	$12,003	$421	$5,740			$18,164	$11,937
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Glenn Doonanco	1.0	$11,344	$388	$5,425			$17,157	$5,453
Name	Rhonda Reich	1.0	$11,674	$405	$5,582			$17,661	$10,730
Name	Angela Adams	1.0	$11,344	$388	$5,425			$17,157	$3,778
Name	Glenn Cooper	1.0	$11,344	$388	$5,425			$17,157	$4,699
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*5.0*	*$57,709*	*$1,990*	*$27,597*			*$87,296*	*$36,597*
Superintendent	Kathleen Rhyason	1.0	$156,883	$10,415	$0	$0	$0	$167,298	$13,899
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Allan Kallal	1.0	$140,148	$23,704	$0	$0	$0	$163,852	$9,471
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		265.1	$18,559,373	$3,261,089	$0	$0	$0	$21,820,462	
Uncertificated Salaries & Wages		219.8	$7,963,035	$2,093,732	$0	$0	$0	$10,056,767	
TOTALS			**$26,877,148**	**$5,390,930**	**$27,597**	**$0**	**$0**	**$32,295,675**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 4160

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

The Fort McMurray Catholic Board of Education
Legal Name of School Jurisdiction

9809 Main Street, Fort McMurray, AB T9H 1T7
Mailing Address

Telephone: (780) 799 5700 Fax: (780) 799 5706
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules The Fort McMurray Catholic Board of Education
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Geraldine Carbery
Name

"ORIGINAL SIGNED"
Signature

SUPERINTENDENT

J. Daniel McIsaac
Name

"ORIGINAL SIGNED"
Signature

SECRETARY TREASURER OR TREASURER

J. G. Francois Gagnon
Name

"ORIGINAL SIGNED"
Signature

11-Jun-07
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 4160

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MEYERS NORRIS PENNY LLP

AUDITORS' REPORT

TO THE BOARD OF TRUSTEES
FORT MCMURRAY CATHOLIC BOARD OF EDUCATION

We have audited the statement of financial position of the Fort McMurray Catholic Board of Education as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school district as at August 31, 2006 and the results of its operations and changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Meyers Norris Penny LLP
Chartered Accountants

Fort McMurray, Alberta
May 2, 2007

School Jurisdiction Code: 4160

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

			2006	2005
ASSETS				
Current assets				
Cash and temporary investments			$8,605,139	$9,984,175
Accounts receivable (net after allowances)			$2,739,315	$2,774,198
Prepaid expenses			$80,451	$64,424
Other current assets			$0	$0
Total current assets			$11,424,905	$12,822,797
School generated assets			$490,311	$414,604
Trust assets			$504,665	$363,853
Long term accounts receivable			$0	$5,219,395
Long term investments			$0	$0
Capital assets				
Land			$1,021,253	$1,098,534
Buildings		$65,095,602		
Less: accumulated amortization		($25,672,336)	$39,423,266	$32,359,145
Equipment		$2,134,829		
Less: accumulated amortization		($1,391,627)	$743,202	$539,179
Vehicles		$164,311		
Less: accumulated amortization		($142,317)	$21,994	$23,173
Total capital assets			$41,209,714	$34,020,031
TOTAL ASSETS			$53,629,596	$52,840,680
LIABILITIES				
Current liabilities				
Bank indebtedness			$0	$0
Accounts payable and accrued liabilities			$3,809,896	$2,816,273
Deferred revenue			$70,151	$832,501
Deferred capital allocations			$806,274	$7,848,924
Current portion of all long term debt			$295,640	$618,080
Total current liabilities			$4,981,960	$12,115,778
School generated liabilities			$490,311	$414,604
Trust liabilities			$504,665	$363,853
Employee future benefits liability			$0	$0
Long term payables and accrued liabilities			$0	$0
Long term debt				
Supported:	Debentures and other supported debt		$1,633,964	$2,252,044
	Less: Current portion of supported debt		($295,640)	($618,080)
Unsupported:	Debentures and Capital Loans		$0	$0
	Capital Leases		$0	$0
	Mortgages		$0	$0
	Less: Current portion of unsupported debt		$0	$0
Other long term liabilities			$0	
Unamortized capital allocations			$26,797,718	$19,243,871
Total long term liabilities			$29,131,018	$21,656,291
TOTAL LIABILITIES			$34,112,979	$33,772,070
NET ASSETS				
Unrestricted net assets			$1,497,804	$1,674,330
Operating Reserves			$1,270,595	$1,297,111
Accumulated Operating Surplus (Deficit)			$2,768,399	$2,971,440
Investment in capital assets			$12,778,031	$12,524,115
Capital Reserves			$3,970,188	$3,573,056
Total Capital Funds			$16,748,219	$16,097,171
Total net assets			$19,516,618	$19,068,611
TOTAL LIABILITIES AND NET ASSETS			$53,629,597	$52,840,681

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 4160

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$34,832,522	$33,625,680	$33,535,802
Federal Government and/or First Nations	$360,575	$180,000	$210,485
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$253,059	$215,000	$210,258
Transportation fees	$152,146	$138,000	$146,512
Other sales and services	$367,807	$0	$191,963
Investment income	$296,699	$275,000	$251,624
Gifts and donations	$106,412	$150,000	$202,755
Rentals of facilities	$51,381	$75,000	$76,872
Net school generated funds	$75,707	$105,000	$66,895
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$1,293,199	$1,325,000	$1,283,192
Total Revenues	$37,789,507	$36,088,680	$36,176,359
EXPENSES			
Certificated salaries	$18,264,512	$18,500,500	$18,194,275
Certificated benefits	$1,988,558	$2,090,557	$1,955,958
Uncertificated salaries and wages	$6,631,908	$5,906,400	$6,368,146
Uncertificated benefits	$1,278,797	$1,145,842	$1,201,799
Services, contracts and supplies	$6,655,718	$5,735,381	$6,323,310
Net school generated funds	$75,707	$105,000	$66,895
Capital and debt services			
Amortization of capital assets			
Supported	$1,293,199	$1,325,000	$1,283,192
Unsupported	$815,397	$850,000	$881,863
Total Amortization of capital assets	$2,108,596	$2,175,000	$2,165,055
Interest on capital debt			
Supported	$337,703	$550,000	$447,900
Unsupported	$0	$0	$0
Total Interest on capital debt	$337,703	$550,000	$447,900
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$37,341,500	$36,208,680	$36,723,338
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$448,007	($120,000)	($546,980)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$448,007	($120,000)	($546,980)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 4160

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$448,007	($546,980)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,293,199)	($1,283,192)
Total amortization expense	$2,108,596	$2,165,055
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$34,883	($205,488)
Prepaids and other current assets	($16,027)	$41,647
Long term accounts receivable	$5,219,395	$2,585,492
Long term investments	$0	$0
Payables and accrued liabilities	$993,623	$998,694
Deferred revenue	($762,350)	($258,426)
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$6,732,928	$3,496,802
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	($56,232)
Buildings	($8,803,357)	($3,163,105)
Equipment	($467,430)	($394,630)
Vehicles	($27,492)	$0
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($9,298,279)	($3,613,967)
C. FINANCING ACTIVITIES		
Capital allocations	$1,186,315	$3,013,375
Issue of long term debt	$0	$0
Repayment of long term debt	($618,080)	($643,641)
Add back: supported portion	$618,080	$643,641
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$1,186,315	$3,013,375
Net sources (uses) of cash during year	($1,379,035)	$2,896,210
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$9,984,175	$7,087,965
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$8,605,139	$9,984,175

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006
(in dollars)

School Jurisdiction 4160

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	**INVESTMENT IN CAPITAL ASSETS**	**UNRESTRICTED NET ASSETS**	**TOTAL INTERNALLY RESTRICTED NET ASSETS** Cols. 5 to 14	**INTERNALLY RESTRICTED NET ASSETS**									
					School Based		**Infrastructure**		**Board & System Admin.**		**Transportation**		**External Services**	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$19,068,611	$12,524,115	$1,674,330	$4,870,166	$600,000	$466,797	$0	$2,967,863	$697,111	$138,396	$0	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$19,068,611	$12,524,115	$1,674,330	$4,870,166	$600,000	$466,797	$0	$2,967,863	$697,111	$138,396	$0	$0	$0	$0
Excess(def) of revenue over expenses	$448,007		$448,007											
Board funded capital transactions		$1,069,313	($562,142)	($507,171)	$0	($482,654)	$0	$0	($24,517)	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,108,596)	$2,108,596											
Amortization of capital allocations		$1,293,199	($1,293,199)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($77,528)	$77,528	$77,528		$0		$0		$0		$0	
Net transfers from operating reserves			$79,527	($79,527)	($79,527)		$0		$0		$0		$0	
Net transfers to capital reserves			($879,787)	$879,787		$95,228		$749,212		$35,346		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$19,516,618	$12,778,031	$1,497,804	$5,240,783	$598,001	$79,371	$0	$3,717,075	$672,594	$173,742	$0	$0	$0	$0

School Jurisdiction Code: 4160

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$7,848,924	$19,243,871
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$7,848,924	$19,243,871
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$1,175,242	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$11,073	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$618,080
Expended capital allocations - current year	($8,228,965)	$8,228,965
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$1,293,199
Balance at August 31, 2006	$806,274	$26,797,718

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The Fort McMurray Catholic Board of Education delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

b) Capital Assets

Capital Assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	25 – 40 years
Site Improvements	20 years
Vehicles & Buses	5 – 10 years
Equipment & Furnishings	5 – 10 years

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

c) Long-lived assets:

Long-lived assets consists of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The District performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in earnings for the year.

Prices for similar items are used to measure fair value of long-lived assets.

d) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

e) Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit.

f) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Fort McMurray Catholic Board of Education does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $ 371,636 for the Year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004: deficiency of $1,288,924).

The school board participates in the Alberta School Board Association Supplemental Integrated Pension Plan (ASBA SiPP). The plan is governed by a Board of Directors appointed by participating School Boards. The plan does not report any unfunded liabilities.

g) Inventories

Inventories are recorded at the lower of cost or net realizable value.

h) Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

i) Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

j) Financial Instruments

These consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

k) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

m) Investments

Short term investments are valued at the lower of cost or market. Long term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

n) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

3. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Education	$ 1,929,594	$ 757,595
Alberta Infrastructure and Transportation	-	6,380,555
Alberta Finance	111,254	148,523
Other Province of Alberta	5,800	5,800
Alberta Municipalities	168,780	166,410
Other	523,887	534,710
Total	**$2,739,315**	**$7,993,593**

4. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of $2,000,000 that bears interest at the bank prime rate. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Alberta Education	$ 3,168,893	$ 1,847,387
Alberta Finance	120,305	148,523
Other Trade Payables and Accrued Liabilities	520,698	820,363
Total	**$ 3,809,896**	**$ 2,816,273**

6. DEFERRED REVENUE

	2006	2005
Infrastructure Maintenance Program (from AI&T)	$ 0	$ 330,800
Infrastructure Maintenance Renewal (from Education)	37,936	
1998-1999 One Time Grant for financial health	0	333,580
AB Education – New Classroom Resource Grant	0	93,000
AB Education – Video Conference Grant	0	60,000
AB Foundation for the Arts	0	4,000
School Fees	32,215	11,121
Total	**$ 70,151**	**$ 832,501**

7. OTHER ALBERTA EDUCATION REVENUES (Schedule B)

	2006	2005
1998-1999 One Time Grant for financial health	$ 333,580	$ 450,000
AB Education – New Classroom Resource Grant	93,000	
AB Education – Video Conference Grant	60,000	
Provincial Microsoft License Rebate		3,245
Operation and Maintenance of Schools Funding		1,226,088
Total	**$ 486,580**	**$ 1,679,333**

8. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	2006	2005
Education Endowment Fund	$ 104,259	$ 102,497
Scholarship Trusts	50,000	50,000
Children and Youth with Complex Needs (Banker Board)	350,406	211,356
Total	**$ 504,665**	**$ 363,853**

9. LONG TERM DEBT

a) Debenture Debt – Supported

The debenture debt bears interest at rates varying between 9% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2006-2007	$ 295,640	$ 156,538	$ 452,178
2007-2008	206,016	124,775	330,791
2008-2009	149,828	103,445	253,273
2009-2010	119,120	88,731	207,851
2010-2011	107,920	77,703	185,623
2010 to maturity	755,440	66,888	822,328
Total	**$ 1,633,964**	**$ 618,080**	**$2,252,044**

The debentures are secured against district school buildings having a net book value of $39,423,266

b) Capital Leases – Unsupported

Currently, there are no capital leases held by the jurisdiction.

10. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

11. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

12. CAPITAL PROJECTS – BOARD FUNDED

As per the Board's approved capital expenditure plan, the following projects were completed during the year and funded from Capital Reserves held in the Board's internally restricted net assets. The cost of these projects will be amortized over their estimated useful lives and recorded in the statement of revenues and expenses as Unsupported Amortization of Capital Assets.

Video-Conferencing (3):	$ 61,454
School Video Surveillance Systems (2):	72,608
Information Technology – Computer Labs:	88,458
Information Technology – Servers:	30,923
Information Technology - Software	28,435
Information Technology – Network Improvement	16,381
IP Telephony (2) & School PA System & Network	147,460
Office Equipment – Father Mercredi High School:	12,913
Print Centre - Laminator:	8,792
Maintenance Vehicle	27,492
School HVAC System (unsupported portion):	12,249
Subtotal	**$ 507,165**
IMP Funding (infrastructure improvements):	562,141
Total Board Funded Capital Projects:	**$ 1,069,306**

13. COMMITMENTS

a) Building Projects

The jurisdiction is committed to further capital expenditures for the following projects:

	Expended as Aug 31, 2006	**Remaining Balance**
St. Martha School:	$ 10,365,881	$ 83,982
St. Martha portables (4)	106,202	358,202
Father Mercredi High School Portable (3)	346,748	364,083
Total	**$ 10,818,831**	**$ 806,267**

It is anticipated that these costs will be fully funded by the capital allocations from Alberta Infrastructure and Transportation.

14. CONTINGENCIES

The jurisdiction in conduct of its normal activities, is a defendant in a number of legal proceedings. While the ultimate outcome of these proceedings cannot be predicted at this time, it is the opinion of administration and the jurisdiction's legal counsel that adequate provision for these proceedings has been made in the jurisdiction's accounts. It is believed that the resolution of the proceedings will not have a material effect on the financial position of the jurisdiction, however, should any additional loss result from the resolution of these proceedings, such amounts would be expensed as the related amounts become known to the jurisdiction.

15. RELATED THIRD PARTY TRANSACTION

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Fort McMurray Catholic Board of Education had related party transactions for the year ended August 31, 2006 recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at amount of consideration agreed upon between the related parties.

	Balances		Transactions	
2005-2006	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta:				
Education	$ 1,929,594	$ 3,289,198	$ 34,188,490	$ 1,007,938
Infrastructure & Transportation	-	0	300,530	0
Finance	111,254	0	337,703	0
Health & Wellness	0	0		240,393
Human Resources/Employment	5,800	0	5,800	
Other Gov't of Alberta departments	0	0	0	
Other:				
Health authorities	0	0		2,156
Post-secondary institutions	0	0		14,169
Other Alberta school jurisdictions	0	0		87,542
Other related parties	0	0		
TOTAL 2005-2006	$2,046,648	$3,289,198	$34,832,523	$1,352,198
TOTAL 2004-2005	$7,292,473	$1,995,910	$33,535,802	$1,598,204

16. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Fort McMurray Catholic Board of Education's primary source of income is from the Alberta Government. The Board's ability to continue viable operations is dependent on this funding.

17. BUDGET AMOUNTS

The budget prepared by the school jurisdiction and approved by the Board of Trustees on June 20, 2005. It is presented for information only.

18. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

SCHEDULE A to the AFS

School Jurisdiction Cod 4160

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	$34,188,490	$28,365,215	$3,456,528	$900,270	$1,466,477	$0
(2) Alberta Infrastructure & Transportation	$300,530	$0	$300,530			
(3) Alberta Finance	$337,703		$337,703			$0
(4) Other - Government of Alberta	$5,800	$0	$5,800	$0	$0	$0
(5) Federal Government and/or First Nations	$360,575	$341,681	$0	$0	$18,894	$0
(6) Other Alberta school authorities	$0	$0	$0	$0	$0	$0
(7) Out of province authorities	$0	$0	$0	$0	$0	$0
(8) Alberta municipalities (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) Instruction resource fees	$253,059	$253,059				
(10) Transportation fees	$152,146			$152,146		
(11) Other sales and services	$367,807	$329,454	$0	$0	$7,402	$30,950
(12) Investment income	$296,699	$296,699	$0	$0	$0	$0
(13) Gifts and donations	$106,412	$106,412	$0	$0		$0
(14) Rentals of facilities	$51,381	$0	$11,900	$0	$0	$39,481
(15) Net school generated funds	$75,707	$75,707			$0	
(16) Gains on disposal of capital assets	$0	$0	$0	$0	$0	$0
(17) Amortization of capital allocations	$1,293,199	$22,323	$1,270,876	$0		$0
(18) TOTAL REVENUES	$37,789,507	$29,790,552	$5,383,336	$1,052,415	$1,492,774	$70,431
EXPENSES						
(19) Certificated salaries	$18,264,512	$17,994,705			$269,807	$0
(20) Certificated benefits	$1,988,558	$1,959,306			$29,253	$0
(21) Uncertificated salaries and wages	$6,631,908	$4,905,072	$1,073,342	$19,599	$602,809	$31,087
(22) Uncertificated benefits	$1,278,797	$955,670	$203,966	$3,813	$106,953	$8,394
(23) SUB - TOTAL	$28,163,776	$25,814,753	$1,277,309	$23,412	$1,008,821	$39,481
(24) Services, contracts & supplies	$6,655,718	$3,622,043	$1,601,162	$952,957	$448,606	$30,950
(25) Cost recoveries between programs	$0	$0	$0	$0	$0	$0
(26) Net school generated funds	$75,707	$75,707				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,293,199	$22,323	$1,270,876	$0	$0	$0
(28) Unsupported	$815,397	$222,850	$557,201	$0	$35,346	$0
(29) Total Amortization	$2,108,596	$245,173	$1,828,076	$0	$35,346	$0
Interest on capital debt						
(30) Supported	$337,703	$0	$337,703	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) TOTAL EXPENSES	$37,341,500	$29,757,677	$5,044,250	$976,369	$1,492,774	$70,431
(35) EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM	$448,007	$32,875	$339,086	$76,046	($0)	$0

School Jurisdiction Code: 4160

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,353,408
Base Instruction (Gr 1-12)	$18,325,187
Outreach Programs	$0
Home Education	$0
Differential Cost Funding *	$12,233,665
Other Provincial Support	
Institutional Programs	$133,930
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$32,039
Provincial Priority Targeted Funding	
Class Size Initiative	$800,488
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$506,313
High Speed Networking	$55,266
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$261,613
Other Alberta Education Revenues (describe): 98/99 One-Time Investment, New Classroom Resources and Video Conferencing	$486,580
Total Alberta Education Revenues	$34,188,490

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 4160

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$2,023,817	$1,085,204	$657,036		$0	$0	$3,766,057
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$447,220	$821,758	$339,172		$0		$1,608,150
ECS Program Unit (PUF)	$85,000	$882,383	$364,307		$0		$1,331,690
Severe Disabilities (Gr 1-12)	$470,157	$2,747,128	$257,034		$0		$3,474,319
English as a Second Language	$0	$74,160	$0		$0		$74,160
French Language Program & Francisation (all jurisdictions)	$212,603	$0	$0		$0		$212,603
First Nations, Metis and Inuit Education (ECS - Gr 12)	$81,771	$203,587	$189,012		$0		$474,370
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$106,700	$32,800	$10,039		$0		$149,539
Alberta Initiative for School Improvement	$484,472	$0	$23,466	$0	$0		$507,938
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$134,074		$0		$134,074
Class Size	$800,488	$0	$0	$0	$0		$800,488
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$15,241,783	$13,722	$1,479,717	$168,186	$0	$245,173	$17,224,289
TOTAL EXPENSES	$19,954,011	$5,860,742	$3,453,857	$168,186	$0	$245,173	$29,757,677

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	5.5	27.7
ECS Program Unit (PUF)	1.0	29.8
Severe Disabilities (Gr 1-12)	5.8	92.6

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 4160

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		$37,341,500
STEP 1		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		5.25%
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE. EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%. Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 2		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,960,429
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		$1,960,429
Less: 2005/2006 Board and System Administration expenses		-$1,492,774
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$467,655

School Jurisdiction Code: 4160

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$414,604
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$1,037,580	$872,932	$164,648	
Student fees (Non-Instructional) (Note 2)	$0	$0	$0	
Donations and grants to schools	$0	$0	$0	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$1,037,580	$872,932		$164,648
Net SGF Available for Spending				$579,251
Application of Net School Generated Funds:				
Extra-curricular activities			$88,940	
School site beautification			$0	
Field Trips			$0	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe):			$0	
Net SGF Expended (Note 3)				$88,940
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$490,311

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 4160

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$799,156	$140,201	$0	$0	$133,986	$1,073,342		$1,073,342
Uncertificated benefits	$152,933	$28,040	$0	$0	$22,993	$203,966		$203,966
Sub-total Remuneration	$952,089	$168,241	$0	$0	$156,979	$1,277,309		$1,277,309
Contracted Services	$1,924	$512,886	$0	$0	$5,306	$520,116		$520,116
Supplies	$109,667	$105,040	$0	$0	$2,040	$216,747		$216,747
Electricity			$441,821			$441,821		$441,821
Natural Gas/Heating Fuel			$331,173			$331,173		$331,173
Sewer and Water			$50,418			$50,418		$50,418
Telecommunications			$19,681			$19,681		$19,681
Insurance					$21,205	$21,205		$21,205
Amortization of capital assets								
Supported							$1,270,876	$1,270,876
Unsupported						$557,201		$557,201
Total Amortization						$557,201	$1,270,876	$1,828,076
Interest on capital debt								
Supported							$337,703	$337,703
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,063,680	$786,166	$843,093	$0	$185,531	$3,435,671	$1,608,578	$5,044,250
SQUARE METRES								
School Buildings								42,627.0
Non School Buildings								2,787.0

Note:

Custodial: All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.

Maintenance: All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.

Expensed IMR & Modular Unit Relocations: All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.

Facility Planning & Operations Administration: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 4160

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200(
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Geraldine Carbery	1.0	$13,982	$517	$0			$14,499	$7,142
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Terry Langis	1.0	$12,797	$479	$0			$13,276	$4,164
Name	Keith McGrath	1.0	$10,362	$437	$0			$10,799	$2,248
Name	Maria Vyboh	1.0	$11,200	$437	$0			$11,637	$3,675
Name	Lauralee Bouchard-Dutchyn	1.0	$10,139	$401	$0			$10,540	$3,066
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*5.0*	*$58,480*	*$2,270*	*$0*			*$60,750*	*$20,295*
Superintendent	J Daniel McIsaac	1.0	$133,650	$5,560	$0	$3,206	$0	$142,416	$11,298
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Francois Gagnon	1.0	$121,742	$34,987	$0	$0	$0	$156,729	$3,405
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		246.0	$18,127,656	$1,982,999	$0	$0	$0	$20,110,654	
Uncertificated Salaries & Wages		200.0	$6,451,686	$1,241,540	$0	$0	$0	$7,693,227	
TOTALS			**$24,893,214**	**$3,267,356**	**$0**	**$3,206**	**$0**	**$28,163,776**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 1250

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Fort Vermilion School Division No. 52
Legal Name of School Jurisdiction

P.O. Bag # 1, Fort Vermilion, Alberta T0H 1N0
Mailing Address

Phone: 1-780-927-3766 Fax: 1-780-927-4625
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Fort Vermilion School Division No. 52 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Mr. Wally Schroeder	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT

Mr. Roger Clarke	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER

Mr. Jeff Perry	"ORIGINAL SIGNED"
Name	Signature

November 30, 2006
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 1250

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MEYERS NORRIS PENNY LLP

AUDITORS' REPORT

To the Board of Trustees of

FORT VERMILION SCHOOL DIVISION NO. 52

We have audited the statement of financial position of the **Fort Vermilion School Division No. 52** as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Meyers Norris Penny LLP

October 20, 2006
Leduc, Alberta

CHARTERED ACCOUNTANTS

200, 5019 - 49TH AVENUE, LEDUC, AB T9E 6T5 PH. (780) 986-2626, FAX (780) 986-2621

School Jurisdiction Code: 1250

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$3,066,773	$1,353,333
Accounts receivable (net after allowances)		$2,201,506	$3,119,837
Prepaid expenses		$295,719	$200,123
Other current assets		$108,122	$83,307
Total current assets		$5,672,122	$4,756,600
School generated assets		$365,811	$393,323
Trust assets		$144,638	$130,535
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$712,077	$712,077
Buildings	$74,658,361		
Less: accumulated amortization	($24,552,959)	$50,105,402	$52,504,611
Equipment	$6,141,941		
Less: accumulated amortization	($4,207,287)	$1,934,654	$2,076,531
Vehicles	$5,815,108		
Less: accumulated amortization	($3,691,809)	$2,123,299	$1,990,276
Total capital assets		$54,875,432	$57,283,495
TOTAL ASSETS		$61,058,002	$62,563,953
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$2,385,426	$2,417,193
Deferred revenue		$179,271	$360,732
Deferred capital allocations		$33,629	$350,422
Current portion of all long term debt		$1,226,596	$1,252,427
Total current liabilities		$3,824,922	$4,380,774
School generated liabilities		$365,811	$393,323
Trust liabilities		$144,638	$130,535
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$3,954,442	$5,206,869
Less: Current portion of supported debt		($1,208,787)	($1,252,427)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$37,398	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		($17,809)	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$43,425,115	$44,610,611
Total long term liabilities		$46,700,808	$49,088,911
TOTAL LIABILITIES		$50,525,730	$53,469,685
NET ASSETS			
Unrestricted net assets		$822,682	$0
Operating Reserves		$1,549,622	$926,764
Accumulated Operating Surplus (Deficit)		$2,372,305	$926,764
Investment in capital assets		$7,458,476	$7,466,012
Capital Reserves		$701,492	$701,492
Total Capital Funds		$8,159,968	$8,167,504
Total net assets		$10,532,272	$9,094,268
TOTAL LIABILITIES AND NET ASSETS		$61,058,002	$62,563,953

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 1250

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$32,118,191	$31,488,550	$30,726,678
Federal Government and/or First Nations	$3,383,675	$3,247,190	$3,059,972
Other Alberta school authorities	$146,404	$146,404	$143,533
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$52,520	$48,050	$57,790
Transportation fees	$0	$0	$0
Other sales and services	$164,360	$143,766	$110,399
Investment income	$158,829	$10,000	$58,836
Gifts and donations	$0	$0	$0
Rentals of facilities	$480,360	$180,000	$435,540
Net school generated funds	$292,644	$100,000	$163,745
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$2,725,051	$2,731,334	$2,590,689
Total Revenues	$39,522,035	$38,095,294	$37,347,182
EXPENSES			
Certificated salaries	$15,862,568	$16,197,224	$15,668,131
Certificated benefits	$1,664,411	$1,818,026	$1,701,324
Uncertificated salaries and wages	$7,135,059	$7,212,926	$6,936,625
Uncertificated benefits	$1,273,869	$1,329,548	$1,220,513
Services, contracts and supplies	$7,616,759	$7,017,160	$6,620,917
Net school generated funds	$292,644	$100,000	$163,745
Capital and debt services			
Amortization of capital assets			
Supported	$2,725,051	$2,731,334	$2,590,689
Unsupported	$1,060,287	$1,074,046	$1,120,057
Total Amortization of capital assets	$3,785,339	$3,805,380	$3,710,746
Interest on capital debt			
Supported	$451,790	$525,517	$585,112
Unsupported	$1,508	$0	$0
Total Interest on capital debt	$453,298	$525,517	$585,112
Other interest charges	$85	$0	$1,011
Losses on disposal of capital assets	$0	$0	$9,443
Total Expenses	$38,084,031	$38,005,781	$36,617,567
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$1,438,004	$89,513	$729,615
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$1,438,004	$89,513	$729,615

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 1250

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$1,438,004	$729,615
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($2,725,051)	($2,590,689)
Total amortization expense	$3,785,339	$3,710,746
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$9,443
Changes in accrued accounts:		
Accounts receivable	$918,331	$238,432
Prepaids and other current assets	($120,412)	$248,958
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($31,767)	($16,503)
Deferred revenue	($181,461)	$105,049
Employee future benefit expense (recovery)	$0	$0
Other (describe) Effect of non-cash transactions on operations	($298,795)	$1,779,332
Total sources (uses) of cash from Operations	$2,784,188	$4,214,383
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($252,588)	($4,870,835)
Equipment	($555,834)	($327,107)
Vehicles	($509,910)	($390,503)
Net proceeds from disposal of capital assets	$0	$99,661
Other (describe) Change in capital purchases in payables	$64,523	($616,373)
Total sources (uses) of cash from Investing activities	($1,253,810)	($6,105,157)
C. FINANCING ACTIVITIES		
Capital allocations	($29,665)	$3,546,630
Issue of long term debt	$58,944	$0
Repayment of long term debt	($1,273,973)	($1,350,709)
Add back: supported portion	$1,252,427	$1,350,709
Other (describe) Cash effect on cap allocations, cap lease proceeds	$175,329	($1,162,959)
Total sources (uses) of cash from Financing activities	$183,062	$2,383,671
Net sources (uses) of cash during year	$1,713,440	$492,897
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$1,353,333	$860,436
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$3,066,773	$1,353,333

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 1250

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$9,094,268	$7,466,012	$0	$1,628,256	$926,764	$274,288	$0	$165,164	$0	$188,528	$0	$73,512	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$9,094,268	$7,466,012	$0	$1,628,256	$926,764	$274,288	$0	$165,164	$0	$188,528	$0	$73,512	$0	$0
Excess(def) of revenue over expenses	$1,438,004		$1,438,004											
Board funded capital transactions		$1,031,205	($1,031,205)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($3,785,339)	$3,785,339											
Amortization of capital allocations		$2,725,051	($2,725,051)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$21,546	($21,546)											
Net transfers to operating reserves			($622,858)	$622,858	$622,858		$0		$0		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$10,532,272	$7,458,476	$822,682	$2,251,114	$1,549,622	$274,288	$0	$165,164	$0	$188,528	$0	$73,512	$0	$0

School Jurisdiction Code: 1250

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$350,422	$44,610,611
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$350,422	$44,610,611
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$0	
	Infrastructure & Transportation-School/Modular Project Capital *	($29,665)	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		$0	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$1,252,427
Expended capital allocations - current year		($287,128)	$287,128
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$2,725,051
Balance at August 31, 2006		$33,629	$43,425,115

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Authority and Purpose

The School Division delivers education programs under the authority of the *School Act*, Chapter S-3, Statutes of Alberta, January 1, 2002. It is not taxable under Section 149(1) of the *Income Tax Act*.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue Recognition

Fort Vermilion School Division No. 52 (the "School Division") follows the deferral method of accounting for contributions.

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

The School Division amortizes grants received for construction and acquisition of capital assets as revenue on the same basis that the cost of the assets is amortized as expense. Since the receipt of the grants does not coincide with the amortization of the cost, the unamortized portion of the grants are recorded as a liability on the statement of financial position. These capital allocations are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

2. Significant Accounting Policies *(continued)*

Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for school supplies, which will be consumed subsequent to year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

Capital Assets

Capital assets are stated at cost and amortized over the estimated useful lives of the assets on a straight-line basis at the following rates:

Buildings	25 and 40 years
Equipment and land improvements	5, 10 and 20 years
Vehicles	5 and 10 years

Only capital assets with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset. No amortization is taken in the year of acquisition.

School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School Division does not make pension contributions for certificated staff.

The School Division participates in the multi-employer pension plan, Local Authorities Pension Plan and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $31,466 for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

The School Division also participates in the registered Supplemental Integrated Pension Plan (SiPP). This multi-employer plan provides supplementary pension plan benefits to a prescribed class of employees in addition to Local Authorities Pension Plan or Alberta Teacher Retirement Fund. The expense for this pension plan is equivalent to the annual contributions of $20,542 for the year ended August 31, 2006. There are four employees who are eligible to participate in the plan; all are currently participating.

2. Significant Accounting Policies *(continued)*

Contributed Services

Volunteers contribute a considerable number of hours per year to various schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Financial Instruments

The School Division's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities, school generated assets and liabilities, trust assets and liabilities, and long-term debt. It is management's opinion that the School Division is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the School Division, or externally, to set aside funds for future operating and capital expenditures. Such reserves are appropriations of accumulated surplus.

Surpluses identified from school operations are transferred to reserves subject to the availability of unrestricted net assets, and transferred from reserves when the use of the funds have been identified by the schools. See Note 12 for details on reserve balances.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Accounts receivable have been stated with as estimate as to collectibility, and amortization of capital assets and capital allocations is based on estimated useful life of the underlying assets. Actual results could vary from those estimates.

3. Accounts Receivable

	2006	2005
Province of Alberta	$ 1,301,230	$ 2,243,141
Federal Government and/or First Nations	1,116,792	658,414
Other	216,619	218,282
	2,634,641	3,119,837
Less allowance for doubtful accounts	(433,135)	-
	$ 2,201,506	$ 3,119,837

Of the above amount, $1,048,929 (2005 - $189,148) has been outstanding for more than one year.

4. Bank Indebtedness

The School Division has negotiated a line of credit in the amount of $2,000,000 that bears interest at prime less 0.25% and is secured by a borrowing bylaw and a security agreement. There was no balance outstanding on the line of credit at August 31, 2006.

5. Accounts Payable and Accrued Liabilities

	2006	2005
Trade and other	$ 1,828,497	$ 1,872,665
Province of Alberta	235,719	309,446
Federal Government and/or First Nations	321,210	235,082
	$ 2,385,426	$ 2,417,193

6. Deferred Revenue

The following amounts have been deferred and will be recognized as income to match the expenditures as incurred.

	2006	2005
Alberta Initiative for School Improvement	$ 99,716	$ 233,386
Infrastructure Maintenance Renewal	60,932	45,787
Other amounts	18,623	9,559
Classroom Resources	-	72,000
	$ 179,271	$ 360,732

7. Trust Assets and Trust Liabilities

Student Health Initiative

The Division is the banker board for their geographical area's Student Health Initiative Partnership. As of August 31, 2006, the Division held $113,638 in trust for this initiative (2005 – $130,535).

Bursaries

The Division also manages trust funds, which will be used to pay school scholarships. At August 31, 2006, total funds in trust were $31,000.

8. Long-term Debt

	2006	2005
Alberta Municipal Finance Corporation debenture debt repayable in annual installments including interest at rates varying between 7.5 and 12.0%. The debentures are fully supported by Alberta Finance. Interest paid on long-term debt during 2006 was $525,517 (2005 - $665,944).	$ 3,954,442	$ 5,206,869
Less current portion	(1,208,787)	(1,252,427)
	$ 2,745,655	$ 3,954,442

Principal repayment requirements are estimated as follows:

2006/2007	1,208,787
2007/2008	793,121
2008/2009	607,713
2009/2010	425,341
2010/2011	213,329
To maturity	706,151
	$ 3,954,442

The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore the working capital (current assets minus current liabilities) is understated by this amount.

9. Capital Lease Obligation

	2006	2005
Dell Financial Services computer lease payable in annual instalments of $21,546 including interest at 9.9%. Interest paid during 2006 was $1,508.	$ 37,398	$ -
Less current portion	(17,809)	-
	$ 19,589	$ -

Minimum lease payments related to the obligation under capital lease are as follows:

	2006	2005
2006/2007	$ 21,546	$ -
2007/2008	21,546	-
	43,092	-
Less: imputed interest	(5,694)	-
	37,398	-
Less current portion	(17,809)	-
	$ 19,589	$ -

Principal repayment requirements are estimated as follows:

2006/2007	17,809
2007/2008	19,589
	$ 37,398

10. Deferred Capital Allocations

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the School Division, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

11. Unamortized Capital Allocations

Unamortized capital allocations represent externally restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid. Since the receipt of the funding does not coincide with the amortization of the cost, the unamortized portion of the grants are recorded as a liability on the statement of financial position.

12. Reserves

	2006	2005
Capital Reserves		
Vehicles	$ 196,376	$ 196,376
Buildings	174,934	174,934
Land	2,200	2,200
Equipment	327,982	327,982
	701,492	701,492
Operating Reserves		
School operating budgets	1,549,622	926,764
Unrestricted Net Assets	822,682	-
	$ 3,073,796	$ 1,628,256

13. Department of Indian and Northern Affairs School

The School Division operates the Upper Hay River Day School under an agreement with the Department of Indian and Northern Affairs Canada (INAC) and the North Peace Tribal Council. Under the terms of the agreement the School Division is responsible for all instructional costs and custodial salaries and supplies, for which they are reimbursed. These revenues and expenses, which are included in Schedule A as part of External Services, are summarized as follows:

	2006	2005
Revenue		
INAC and North Peace Tribal Council	$ 1,045,807	$ 966,465
Rental income	9,282	11,160
Transfer to deferred revenue	(73,591)	(40,386)
Allocated for future purchases	(15,000)	(15,000)
	966,498	922,239
Operating expenditures		
Instructional	794,167	752,408
Custodial supplies and salaries	68,096	70,205
	862,263	822,613
Capital expenditures		
Photocopiers	12,263	-
Security cameras	5,990	-
Repairs and maintenance to residences	-	12,529
	18,253	12,529
Administration fee	85,982	87,097
	966,498	922,239
Excess of Revenue over Expenditures	$ -	$ -

14. Budgeted Amounts

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only.

15. Economic Dependence on Related Third Party

The School Division's primary sources of revenue are from the Alberta and Federal Governments. The School Division's ability to continue viable operations is dependent upon this funding.

16. Related Party Transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in Public Sector Accounting Board Handbook Section 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

All related-party transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	Balances		Transactions	
2005-2006	**Assets**	**Liabilities**	**Revenue**	**Expenses**
Government of Alberta:				
Education	$ 113,638	$444,021	$31,243,075	-
Finance	235,719	4,180,161	451,790	-
Infrastructure & Transportation	1,065,511	-	76,504	-
Other departments	-	5,929	346,823	-
Other:				
Other Alberta school jurisdictions	-	-	146,404	-
Total 2005-2006	$ 1,414,868	$4,630,111	$32,264,596	-
Total 2004-2005	$ 2,243,141	$5,959,979	$30,870,211	-

SCHEDULE A to the AFS

School Jurisdiction Cod 1250

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$31,243,075	$24,173,762	$3,125,832	$2,255,045	$1,688,436	$0
(2) **Alberta Infrastructure & Transportation**	$76,504	$0	$76,504			
(3) **Alberta Finance**	$451,790		$451,790			$0
(4) **Other - Government of Alberta**	$346,823	$343,675	$3,148	$0	$0	$0
(5) **Federal Government and/or First Nations**	$3,383,675	$1,916,782	$233,116	$190,580	$85,982	$957,215
(6) **Other Alberta school authorities**	$146,404	$146,404	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$52,520	$52,520				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$164,360	$84,284	$2,000	$76,076	$2,000	$0
(12) **Investment income**	$158,829	$136,146	$9,493	$7,278	$5,913	$0
(13) **Gifts and donations**	$0	$0	$0	$0		$0
(14) **Rentals of facilities**	$480,360	$997	$306,947	$163,134	$0	$9,282
(15) **Net school generated funds**	$292,644	$292,644			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$2,725,051	$0	$2,725,051	$0		$0
(18) **TOTAL REVENUES**	$39,522,035	$27,147,213	$6,933,881	$2,692,112	$1,782,331	$966,498
EXPENSES						
(19) **Certificated salaries**	$15,862,568	$15,234,979			$222,459	$405,131
(20) **Certificated benefits**	$1,664,411	$1,606,290			$18,655	$39,466
(21) **Uncertificated salaries and wages**	$7,135,059	$3,702,598	$1,200,215	$1,380,857	$610,195	$241,194
(22) **Uncertificated benefits**	$1,273,869	$693,299	$196,362	$252,402	$91,344	$40,463
(23) **SUB - TOTAL**	$25,935,907	$21,237,166	$1,396,577	$1,633,258	$942,652	$726,254
(24) **Services, contracts & supplies**	$7,616,759	$4,058,917	$2,055,191	$905,537	$442,852	$154,262
(25) **Cost recoveries between programs**	$0	$156,359	$0	($156,359)	($85,982)	$85,982
(26) **Net school generated funds**	$292,644	$292,644				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$2,725,051	$0	$2,725,051	$0	$0	$0
(28) Unsupported	$1,060,287	$226,565	$400,817	$353,242	$79,663	$0
(29) Total Amortization	$3,785,339	$226,565	$3,125,869	$353,242	$79,663	$0
Interest on capital debt						
(30) Supported	$451,790	$0	$451,790	$0	$0	$0
(31) Unsupported	$1,508	$0	$1,508	$0	$0	$0
(32) Other interest charges	$85	$85	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$38,084,031	$25,971,735	$7,030,934	$2,735,679	$1,379,185	$966,498
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$1,438,004	$1,175,478	($97,054)	($43,567)	$403,146	($0)

School Jurisdiction Code: 1250

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$758,112
Base Instruction (Gr 1-12)	$14,752,041
Outreach Programs	$208,080
Home Education	$12,466
Differential Cost Funding *	$7,554,506
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$28,902
Provincial Priority Targeted Funding	
Class Size Initiative	$599,484
Student Health Initiative (SHI)	$298,226
Alberta Initiative for School Improvement (AISI)	$551,608
High Speed Networking	$120,840
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$229,060
Other Alberta Education Revenues (describe): Operations and Maintenance, Stabilization, Transportation	$6,129,749
Total Alberta Education Revenues	$31,243,075

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 1250

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,275,444	$1,151,536	$343,405		$0	$110,630	$2,881,015
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$897,660	$3,096	$17,172		$0		$917,928
ECS Program Unit (PUF)	$0	$199,709	$32,398		$0		$232,106
Severe Disabilities (Gr 1-12)	$370,656	$1,380,942	$140,220		$0		$1,891,818
English as a Second Language	$0	$144,863	$3,630		$0		$148,493
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$228,911	$101,379		$0		$330,290
Home Education	$0	$0	$30,842		$0		$30,842
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$421,184	$30,646	$99,778	$0	$0		$551,608
Student Health Initiative	$0	$176,193	$122,033		$0		$298,226
High Speed Networking			$205,293		$0		$205,293
Class Size	$666,147	$0	$0	$0	$0		$666,147
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$13,210,177	$1,080,072	$2,570,437	$28,902	$11,043	$512,466	$17,817,969
TOTAL EXPENSES	$16,841,269	$4,395,967	$3,666,586	$28,902	$11,043	$623,096	$25,971,735

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	11.7	0.6
ECS Program Unit (PUF)	0.0	7.3
Severe Disabilities (Gr 1-12)	4.8	48.2

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 1250

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		$38,084,031
STEP 1		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		5.40%
If "Total Net Enrolled Students" are 2,000 and less = 6%		

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,056,538
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	2,920	
	$33,293	$2,056,538
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,056,538**
Less: 2005/2006 Board and System Administration expenses		-$1,379,185
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$677,353

School Jurisdiction Code: 1250

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$393,323
Source of Net School Generated Funds:				
Fundraising activities	$712,304	$591,891	$120,413	
Student fees (Non-Instructional) (Note 2)	$58,877	$5,707	$53,170	
Donations and grants to schools	$67,990	$3,030	$64,960	
Other (describe): Gym rental, field trips, hot lunch, etc	$47,067	$20,478	$26,589	
Net Additions to SGF	$886,238	$621,106		$265,132
Net SGF Available for Spending				$658,454
Application of Net School Generated Funds:				
Extra-curricular activities			$45,238	
School site beautification			$10,751	
Field Trips			$71,200	
Equipment			$83,864	
Family literacy and other community resources			$17,976	
Other (describe): Year Book, Bank Charges, Picnics, Volunteer Gifts, etc			$63,615	
Net SGF Expended (Note 3)				$292,644
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$365,811

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1	Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
Note 2	Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.
Note 3	Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.
Note 4	Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1250

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$839,887	$267,946	$0	$0	$92,383	$1,200,215		$1,200,215
Uncertificated benefits	$136,523	$42,131	$0	$0	$17,708	$196,362		$196,362
Sub-total Remuneration	$976,410	$310,076	$0	$0	$110,091	$1,396,577		$1,396,577
Contracted Services	$14,582	$331,295	$30,851	$351,538	$4,860	$733,125		$733,125
Supplies	$109,361	$154,774	$0	$0	$2,867	$267,003		$267,003
Electricity			$476,242			$476,242		$476,242
Natural Gas/Heating Fuel			$385,552			$385,552		$385,552
Sewer and Water			$62,128			$62,128		$62,128
Telecommunications			$11,003			$11,003		$11,003
Insurance					$120,138	$120,138		$120,138
Amortization of capital assets								
Supported							$2,725,051	$2,725,051
Unsupported						$400,817		$400,817
Total Amortization						$400,817	$2,725,051	$3,125,869
Interest on capital debt								
Supported							$451,790	$451,790
Unsupported				$0		$1,508		$1,508
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,100,352	$796,146	$965,776	$351,538	$237,956	$3,854,093	$3,176,841	$7,030,934
SQUARE METRES								
School Buildings								46,292.1
Non School Buildings								3,542.3

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 1250

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Schroeder, Wally	1.0	$17,680	$214	$0			$17,894	$12,366
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Batt, Alison	0.8	$9,027	$455	$0			$9,482	$7,332
Name	Hoffman, Tom	0.7	$4,005	$120	$0			$4,125	$1,288
Name	Lambert, Keith	1.0	$10,771	$430	$0			$11,202	$5,963
Name	Lederer, Dale	1.0	$10,151	$413	$0			$10,564	$7,515
Name	Neudorf, Lena	1.0	$11,377	$867	$0			$12,244	$8,544
Name	Mitchell, Lisa	1.0	$9,015	$356	$0			$9,371	$2,398
Name	Wiebe, Bernard	1.0	$9,246	$420	$0			$9,667	$4,796
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.5*	*$81,273*	*$3,276*	$0			*$84,550*	*$50,203*
Superintendent	Clarke, Roger	1.0	$125,000	$15,794	$11,875	$0	$0	$152,669	$24,229
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Perry, Jeff	1.0	$93,636	$21,662	$5,000	$0	$0	$120,298	$12,731
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		221.2	$15,737,568	$1,648,617	$0	$0	$0	$17,386,185	
Uncertificated Salaries & Wages		237.5	$6,960,150	$1,248,930	$0	$0	$0	$8,209,080	
TOTALS			**$22,997,628**	**$2,938,279**	**$16,875**	**$0**	**$0**	**$25,952,782**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 2155

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Golden Hills School Division No. 75
Legal Name of School Jurisdiction

435A Highway #1, Strathmore, Alberta T1P 1J4
Mailing Address

Tel.(403) 934-5121 Fax (403)934-5125
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Golden Hills School Division No. 75
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

C. Howard	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT

D. Mcbeth	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER

E. Latka	"ORIGINAL SIGNED"
Name	Signature

28-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 2155

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GREGORY,
HARRIMAN
& ASSOCIATES
PROFESSIONAL ACCOUNTANTS

Karen A. Gregory
B.A., B.Comm., C.A.
Professional Corporation

Shelley Harriman
Certified General Accountant
Professional Corporation

AUDITORS' REPORT

To the Board of Trustees
Golden Hills School Division No.75

We have audited the statement of financial position of the Golden Hills School Division No.75 as at August 31, 2006 and the statement of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2005 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Gregory Harriman & Assoc

Strathmore, Alberta
October 31, 2006

Gregory, Harriman and Associates
Professional Accountant

#104, 331 - 3rd Avenue, Strathmore, Alberta T1P 1T5
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Association of two Professional Corporations that are in the practice of accountancy

School Jurisdiction Code: 2155

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$4,767,902	$45,440
Accounts receivable (net after allowances)		$2,401,229	$4,354,059
Prepaid expenses		$323,234	$337,475
Other current assets		$225,235	$104,675
Total current assets		$7,717,600	$4,841,649
School generated assets		$889,619	$847,992
Trust assets		$383,076	$326,405
Long term accounts receivable			
Long term investments			
Capital assets			
Land		$677,202	$677,202
Buildings	$69,200,743		
Less: accumulated amortization	($33,088,952)	$36,111,791	$38,623,128
Equipment	$3,504,849		
Less: accumulated amortization	($1,846,558)	$1,658,291	$1,740,557
Vehicles	$3,567,526		
Less: accumulated amortization	($2,349,216)	$1,218,310	$1,281,673
Total capital assets		$39,665,595	$42,322,560
TOTAL ASSETS		$48,655,890	$48,338,606
LIABILITIES			
Current liabilities			
Bank indebtedness			$1,214,662
Accounts payable and accrued liabilities		$2,265,857	$1,711,754
Deferred revenue		$2,335,000	$1,283,726
Deferred capital allocations		$1,921,740	$303,761
Current portion of all long term debt		$674,612	$771,358
Total current liabilities		$7,197,209	$5,285,261
School generated liabilities		$889,619	$847,992
Trust liabilities		$383,076	$326,405
Employee future benefits liability			
Long term payables and accrued liabilities			
Long term debt			
Supported: Debentures and other supported debt		$3,537,741	$4,208,211
Less: Current portion of supported debt		($573,628)	($670,470)
Unsupported: Debentures and Capital Loans		$2,462,164	$2,559,240
Capital Leases			$673
Mortgages			
Less: Current portion of unsupported debt		($100,984)	($100,888)
Other long term liabilities			
Unamortized capital allocations		$29,635,653	$31,447,085
Total long term liabilities		$36,233,641	$38,618,248
TOTAL LIABILITIES		$43,430,850	$43,903,509
NET ASSETS			
Unrestricted net assets		$1,132,501	$269,320
Operating Reserves			
Accumulated Operating Surplus (Deficit)		$1,132,501	$269,320
Investment in capital assets		$4,044,852	$4,118,090
Capital Reserves		$47,687	$47,687
Total Capital Funds		$4,092,539	$4,165,777
Total net assets		$5,225,039	$4,435,097
TOTAL LIABILITIES AND NET ASSETS		$48,655,890	$48,338,606

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 2155

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$48,706,073	$47,953,990	$47,874,752
Federal Government and/or First Nations	$2,017,266	$2,230,606	$2,119,869
Other Alberta school authorities			
Out of province authorities			
Alberta Municipalities (excluding supplementary requisitions)	$85,200		$92,232
Instruction resource fees	$628,350	$526,275	$552,754
Transportation fees		$70,000	
Other sales and services	$3,893,455	$1,957,200	$1,837,035
Investment income	$293,652	$8,000	$60,215
Gifts and donations	$69,918		$6,775
Rentals of facilities	$86,307	$105,446	$85,443
Net school generated funds	$2,526,691	$1,853,873	$2,079,090
Gains on disposal of capital assets	$12,364		$16,416
Amortization of capital allocations	$2,637,312	$2,353,741	$2,498,665
Total Revenues	$60,956,589	$57,059,131	$57,223,246
EXPENSES			
Certificated salaries	$27,649,026	$26,898,584	$26,887,205
Certificated benefits	$3,084,771	$2,958,844	$2,968,315
Uncertificated salaries and wages	$8,719,967	$6,869,645	$8,606,491
Uncertificated benefits	$2,178,431	$1,717,411	$2,117,380
Services, contracts and supplies	$12,367,232	$12,158,728	$10,291,102
Net school generated funds	$2,526,691	$1,853,873	$2,079,090
Capital and debt services			
Amortization of capital assets			
Supported	$2,637,312	$2,353,741	$2,498,665
Unsupported	$473,951	$316,812	$376,588
Total Amortization of capital assets	$3,111,264	$2,670,553	$2,875,253
Interest on capital debt			
Supported	$359,553	$359,553	$439,108
Unsupported	$139,796	$146,750	$142,992
Total Interest on capital debt	$499,349	$506,303	$582,100
Other interest charges	$29,916	$6,100	$24,614
Losses on disposal of capital assets			
Total Expenses	$60,166,646	$55,640,042	$56,431,550
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$789,942	$1,419,089	$791,696
Extraordinary Item			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$789,942	$1,419,089	$791,696

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 2155

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$789,942	$791,696
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($2,637,312)	($2,498,665)
Total amortization expense	$3,111,264	$2,875,253
Gains on disposal of capital assets	($12,364)	($16,416)
Losses on disposal of capital assets		
Changes in accrued accounts:		
Accounts receivable	$1,952,830	($515,323)
Prepaids and other current assets	($106,319)	$279,035
Long term accounts receivable		
Long term investments		
Payables and accrued liabilities	$554,103	($842,262)
Deferred revenue	$1,051,274	$743,977
Employee future benefit expense (recovery)		
Other (describe)		
Total sources (uses) of cash from Operations	$4,703,418	$817,295
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land		
Buildings	($78,463)	($3,127,890)
Equipment	($212,518)	($351,496)
Vehicles	($163,320)	($157,809)
Net proceeds from disposal of capital assets	$12,366	$16,416
Other (describe)		
Total sources (uses) of cash from Investing activities	($441,934)	($3,620,779)
C. FINANCING ACTIVITIES		
Capital allocations	$1,773,389	$1,496,661
Issue of long term debt		$1,622,853
Repayment of long term debt	($768,219)	($913,626)
Add back: supported portion	$670,470	$838,874
Other (describe)		
Total sources (uses) of cash from Financing activities	$1,675,640	$3,044,762
Net sources (uses) of cash during year	$5,937,124	$241,278
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	($1,169,222)	($1,410,500)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$4,767,902	($1,169,222)

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 2155

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$4,435,097	$4,118,090	$269,320	$47,687				$47,687						
Prior period adjustments (describe)														
Adjusted Balance,Aug.31, 2005	$4,435,097	$4,118,090	$269,320	$47,687				$47,687						
Excess(def) of revenue over expenses	$789,942		$789,942											
Board funded capital transactions		$299,825	($299,825)											
Direct credits to net assets														
Amortization of capital assets		($3,111,264)	$3,111,264											
Amortization of capital allocations		$2,637,312	($2,637,312)											
Disposal of unsupported capital assets														
Disposal of supported capital assets (board funded portion)														
Debt principal payments (unsupported)		$100,888	($100,888)											
Net transfers to operating reserves														
Net transfers from operating reserves														
Net transfers to capital reserves														
Net transfers from capital reserves														
Balance at August 31, 2006	$5,225,039	$4,044,852	$1,132,501	$47,687				$47,687						

School Jurisdiction Code: 2155

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$303,761	$31,447,085
Prior period adjustment		
Adjusted balance, August 31, 2005	$303,761	$31,447,085
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$1,772,978	
Infrastructure & Transportation-School/Modular Project Capital *		
Other Government of Alberta		
Federal Government and/or First Nations		
Other sources		
Interest earned on provincial government capital allocations	$411	
Other capital grants and donations		
Net Proceeds on disposal of supported capital assets		
Insurance proceeds (and related interest)		
Donated capital assets (amortizable, @ fair market value)		
Transferred in capital assets (amortizable, @ net book value)		
Current Year Debenture Principal Repayment		$670,470
Expended capital allocations - current year	($155,410)	$155,410
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		
Capital allocations amortized to revenue		$2,637,312
Balance at August 31, 2006	$1,921,740	$29,635,653

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1) AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The Jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent upon future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

- Instruction and support allocations are recognized in the year to which they relate.
- Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.
- Unrestricted contributions are recognized as revenue when received or receivable.
- Contributions in-kind are recorded at fair market value when reasonably determinable.
- Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

b) Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 10%
Vehicles and buses	10% to 20%
Equipment and furnishings	10% to 20%

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the related asset's amortization expense. Assets are amortized in the years following acquisition.

c) School Generated Funds

These are funds in the community that come under the control and responsibility of the school principal for school activities. These funds are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

d) Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

e) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Jurisdiction does not make pension contributions for certificated staff.

The Jurisdiction participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $546,633 for the year ended August 31, 2006 (2005 - $510,201). At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

f) Inventories

Inventories are recorded at the lesser of cost or net realizable value using the first-in, first-out method.

g) Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for school supplies, which will be consumed subsequent to the year end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

h) Contributed Services

Volunteers contribute a considerable number of hours per year to various schools that are within the Jurisdiction to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of School Generated Funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

i) Investments

Investments are recorded at the lower of cost and market value.

j) Financial Instruments

The Jurisdiction, as part of its operations, carries a number of financial instruments. These financial instruments consist of cash and temporary investments, accounts receivable, trust assets, long term investments, bank indebtedness, accounts payable and accrued liabilities, trust liabilities and long term debt. These financial instruments may be exposed to the following risks:

1. Interest Rate Risk

   Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Jurisdiction manages exposure through its normal operating and financing activities. The Jurisdiction is exposed to interest rate risk primarily through its operating line of credit. As at August 31, 2006, there is no outstanding balance on this operating line of credit.

2. Currency Risk

   Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Jurisdiction from time to time carries on transactions requiring payment in a foreign currency. The Jurisdiction believes that there is no unusual exposure associated with these transactions.

3. Credit Concentration Risk

   Accounts receivable from two parties represent 65% (2005 – 84%) of total accounts receivable as at August 31, 2006. The Jurisdiction believes that there is no unusual exposure associated with the collection of these receivables.

Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees' Act*.

k) Operating and Capital Reserves
Reserves are established at the discretion of the Board of Trustees of the Jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

l) Foreign Currency Transactions
All assets and liabilities of operations denominated in currencies other than Canadian dollars have been translated into Canadian dollars at the rate of exchange in effect at the balance sheet date.

Gains and losses resulting from the translation of assets and liabilities are reflected in net income.

Revenue and expense accounts are translated at the average rates of exchange prevailing during the period.

3) COLLECTIVE AGREEMENTS

The Jurisdiction had collective agreements with the Alberta Teachers Association Local #20, Canadian Union of Public Employees Local 2347, and the Canadian Union of Public Employees Local 1184, which expired August 31, 2005. New collective agreements are currently being negotiated.

4) ACCOUNTS RECEIVABLE

ITEM	2006	2005
Province of Alberta	$ 591,230	$ 2,582,852
Federal Government	147,372	164,704
Alberta Municipalities	13,493	8,243
Other	1,649,134	1,598,260
Total	**$ 2,401,229**	**$ 4,354,059**

5) CAPITAL ASSETS

Asset	Cost	Accumulated Amortization	Net Book Value	
			2006	2005
Land	$ 677,202	$ -	$ 677,202	$ 677,202
Buildings	69,200,744	33,088,952	36,111,792	38,623,128
Vehicles	3,567,526	2,349,216	1,218,310	1,281,673
Equipment	3,504,849	1,846,558	1,658,291	1,740,557
Total	**$ 76,950,321**	**$ 37,284,726**	**$ 39,665,595**	**$ 42,322,560**

6) BANK INDEBTEDNESS

The Jurisdiction has negotiated a line of credit in the amount of $2,391,772 that bears interest at the bank prime rate less 0.25%. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the Jurisdiction. The amount is not to exceed receivables of the Jurisdiction. The balance outstanding on the line of credit at August 31, 2006 was $nil (2005 - $1,214,662).

The total amount paid in interest for the year ending August 31, 2006 was $3,458 (2005 - $15,705).

7) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

ITEM	2006	2005
Province of Alberta	$ 219,000	$ 210,769
Federal Government	7,390	7,548
Other Alberta School Jurisdictions	-	-
Other trade payables and accrued liabilities	2,039,467	1,493,437
Total	**$ 2,265,857**	**$ 1,711,754**

8) DEFERRED REVENUE

ITEM	2006	2005
Alberta Initiative for School Improvement (AISI)	$ 8,405	$ 338,061
International Student Services	2,216,714	935,171
Other	109,881	10,494
Total	**$ 2,335,000**	**$ 1,283,726**

International Student Services deferred revenue includes funds advanced as tuition and boarding revenue for foreign students. The Jurisdiction has a program to actively recruit students who would attend school starting September, 2006.

9) TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the Jurisdiction for the following areas:

ITEM	2006	2005
Project Hope Trust	$ 4,379	$ 32,067
Project Hope Bolinger	5,751	5,751
H.A. Brown Scholarship	5,940	5,751
McElroy Trust	3,175	3,074
Tro-Hills	5,105	5,018
Dougan Scholarship	1,244	1,205
Thompson Scholarship	76,133	73,719
Tullikopf Scholarship	1,944	1,982
Snyder Memorial Scholarship	7,554	7,613
Moynihan Scholarship	4,029	4,191
Acme ECS	6,368	6,166
Carbon ECS	4,385	4,246
Carseland ECS	3,576	3,463
Gleichen ECS	8,309	8,045
Strathmore ECS	1,510	1,462
Student Health Initiative Program (SHIP)	243,674	162,652
Total	**$ 383,076**	**$ 326,405**

10) LONG TERM DEBT

a) Debenture Debt – Supported and Unsupported

The Jurisdiction has issued debentures to the Alberta Capital Finance Authority (formerly Alberta Municipal Finance Corporation), to finance the construction of school buildings and the purchase of the administration building. The debt maturity dates range from 2009 to 2025 and bear annual interest at rates from 5.175% to 12.00%. The amount of interest expense on long term debt for the year was $499,349 (2005 - $582,100).

ITEM	2006	2005
Supported debenture debt	$ 3,537,741	$ 4,208,211
Unsupported debenture debt	2,462,164	2,559,240
	5,999,905	6,767,451
Less: Current portion due on debenture debt	674,612	771,358
Balance	**$ 5,325,293**	**$ 5,996,093**

Principal payments required in the next five fiscal years and beyond are as follows:

ITEM	AMOUNT
2007	$ 674,612
2008	647,780
2009	650,629
2010	624,003
2011	604,659
2012 to Maturity	2,798,222
Total	**$ 5,999,905**

11) DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted capital funds provided for a specific capital purpose that have been received or are receivable by the Jurisdiction, but the related expenditure has not yet been made at year end. When expended on supported capital projects, these deferred capital allocations are transferred to unamortized capital allocations. Details of the changes in the deferred capital allocations account are as follows:

ITEM	2006	2005
Balance, beginning of year	$ 303,761	$ 322,723
Less: Prior period adjustment	48,854	-
Add: Allocations received and receivable during the year	1,789,773	1,496,661
Less: Transfers to unamortized capital allocations (Note 12)	106,556	1,515,623
Less: Amounts expended on unsupported capital projects	16,384	-
Balance, end of year	**$ 1,921,740**	**$ 303,761**

12) UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

ITEM	2006	2005
Balance, beginning of year	$ 31,447,085	$ 31,591,253
Add: Prior period adjustment	48,854	-
Donated capital items	-	-
Additions: Supported debenture principal repayments	670,470	838,874
Transfer from deferred capital allocations (Note 11)	106.556	1,515,623
Less: Capital allocation revenue	2,637,312	2,498,665
Balance, end of year	**$ 29,635,653**	**$ 31,447,085**

13) CONTINGENCY

Contingent Asset
The Jurisdiction is a member of a reciprocal insurance exchange called Alberta School Boards' Insurance Exchange (ASBIE). A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset that the Jurisdiction can liquidate.

14) COMMITMENTS

a) Energy Contract
In April, 2005, the Jurisdiction entered into a contract with Enmax Energy Corporation for electricity to all of its owned facilities. This contract ends in December, 2010. The total commitment under this agreement for the next four years is as follows:

ITEM	AMOUNT
2007	$ 285,974
2008	285,974
2009	285,974
2010	285,974
Total	**$ 1,143,896**

b) Boarding
The Jurisdiction, through their International services, has commitments for boarding foreign students. The funds are advanced by the student, and the Jurisdiction is using a variety of methods for boarding them.

c) Lease Commitments

The Jurisdiction leased classroom space under lease agreements expiring in June, 2007 and June, 2008. Under these agreements, the Jurisdiction is obligated to pay $24,000 per year for 2007 and $20,000 per year for 2008. The Jurisdiction leases buses under a lease agreement expiring August, 2009. Under the agreement the Jurisdiction is obligated to pay $5,696 per month. The Jurisdiction leases office space under a lease agreement expiring September, 2007. Under the agreement the Jurisdiction is obligated to pay $3,945 per month. Future minimum operating lease payments are as follows:

ITEM	AMOUNT
2007	$ 135,828
2008	88,432
2009	64,487
Total	**$ 288,747**

15) RELATED PARTY TRANSACTIONS

Effective 2005/2006, School Jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of School Jurisdictions. These include government departments, health authorities, post-secondary institutions and other School Jurisdictions in Alberta. The Golden Hills School Division No. 75 had related party transactions for the year ended August 31, 2006 recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at an amount of consideration agreed upon between the related parties.

	Balances		Transactions	
2005-2006	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta:				
Education	$	$ 5,604,071	$ 47,869,670	$ 27,986
Infrastructure & Transportation	449,327	3,945	356,034	
Finance	141,903	2,644,980	359,553	950
Health & Wellness			153,278	61,218
Human Resources/Employment			59,284	
Other Government of Alberta departments		268		
Other:				
Health Authorities				
Post-secondary institutions				
Other Alberta School Jurisdictions				19,688
Other related parties	481,054	243,674	254,241	9,116
TOTAL 2005-2006	$ 1,072,284	$ 8,496,938	$ 49,052,060	$ 118,958
TOTAL 2004-2005	$ 2,909,257	$ 7,575,091	$ 47,927,792	$ 51,714

Contingencies or Contractual Obligations with related parties are under separate disclosure.

16) BUDGET AMOUNTS

The budget was prepared by the Jurisdiction and approved by the Board of Trustees on June 14, 2005. It is presented for information purposes only and has not been audited.

17) COMPARATIVE FIGURES

The Budget 2006 and Actual 2005 comparative figures have been reclassified where necessary to conform to Actual 2006 presentation.

18) FUNDS UNDER ADMINISTRATION

The Jurisdiction acts as administrator for numerous trust accounts and projects. These assets are owned by the various organizations and the School Jurisdiction simply provides administration services to some of the projects. As a result, these assets and liabilities are not recorded in these financial statements. The Jurisdiction is a member of the South Central Alberta Resource Centre (SCARC) organization to which services are provided.

19) ECONOMIC DEPENDENCE

The Jurisdiction's primary source of income is from the Alberta Government. The Jurisdiction's ability to continue viable operations is dependent on this funding.

SCHEDULE A to the AFS

School Jurisdiction Cod 2155

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$47,778,229	$37,472,378	$4,885,042	$3,556,045	$1,864,764	
(2) **Alberta Infrastructure & Transportation**	$356,034		$356,034			
(3) **Alberta Finance**	$359,553		$359,553			
(4) **Other - Government of Alberta**	$212,256	$55,005	$4,279			$152,972
(5) **Federal Government and/or First Nations**	$2,017,266	$2,017,266				
(6) **Other Alberta school authorities**						
(7) **Out of province authorities**						
(8) **Alberta municipalities** (excl. supplementary requisitions)	$85,200					$85,200
(9) **Instruction resource fees**	$628,350	$628,350				
(10) **Transportation fees**						
(11) **Other sales and services**	$3,893,455	$1,069,421	$1,707	$14,194	$19,835	$2,788,298
(12) **Investment income**	$293,652	$215,945	$38,530	$18,495	$17,433	$3,250
(13) **Gifts and donations**	$69,918	$69,850		$68		
(14) **Rentals of facilities**	$86,307		$22,797		$63,511	
(15) **Net school generated funds**	$2,526,691	$2,526,691				
(16) **Gains on disposal of capital assets**	$12,364	$638	$9,718	$1,775	$234	
(17) **Amortization of capital allocations**	$2,637,312	$174,317	$2,462,995			
(18) **TOTAL REVENUES**	$60,956,589	$44,229,861	$8,140,654	$3,590,578	$1,965,776	$3,029,720
EXPENSES						
(19) **Certificated salaries**	$27,649,026	$27,011,313			$370,708	$267,005
(20) **Certificated benefits**	$3,084,771	$3,037,939			$26,823	$20,009
(21) **Uncertificated salaries and wages**	$8,719,967	$5,013,739	$1,707,019	$753,060	$725,576	$520,573
(22) **Uncertificated benefits**	$2,178,431	$1,405,801	$417,512	$95,941	$158,321	$100,856
(23) **SUB - TOTAL**	$41,632,194	$36,468,793	$2,124,530	$849,000	$1,281,428	$908,442
(24) **Services, contracts & supplies**	$12,367,232	$4,699,941	$2,915,023	$2,433,957	$545,363	$1,772,948
(25) **Cost recoveries between programs**		($28,365)				$28,365
(26) **Net school generated funds**	$2,526,691	$2,526,691				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$2,637,312	$174,317	$2,462,995			
(28) Unsupported	$473,951	$95,828	$23,186	$223,853	$66,796	$64,289
(29) Total Amortization	$3,111,264	$270,145	$2,486,181	$223,853	$66,796	$64,289
Interest on capital debt						
(30) Supported	$359,553		$359,553			
(31) Unsupported	$139,796				$60,269	$79,528
(32) Other interest charges	$29,916	$2,458	$588	$267	$482	$26,122
(33) Losses on disposal of capital assets						
(34) **TOTAL EXPENSES**	$60,166,646	$43,939,663	$7,885,876	$3,507,077	$1,954,337	$2,879,694
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$789,943	$290,198	$254,778	$83,500	$11,440	$150,027

School Jurisdiction Code: 2155

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$959,088
Base Instruction (Gr 1-12)	$28,977,222
Outreach Programs	$260,100
Home Education	$24,333
Differential Cost Funding *	$9,949,234
Other Provincial Support	
Institutional Programs	
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	
Learning Resources Credit Allocation	$23,974
Provincial Priority Targeted Funding	
Class Size Initiative	$964,595
Student Health Initiative (SHI)	$439,050
Alberta Initiative for School Improvement (AISI)	$1,148,918
High Speed Networking	$132,924
Children and Youth with Complex Needs	$13,750
Infrastructure Maintenance Renewal (IMR)	$431,391
Other Alberta Education Revenues (describe): Plant operations and Maintenance	$4,453,651
Total Alberta Education Revenues	$47,778,229

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distance, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 2155

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$3,266,218	$2,057,524	$702,583				$6,026,325
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$39,966	$109,057					$149,024
ECS Program Unit (PUF)	$16,157	$363,526	$53,761				$433,444
Severe Disabilities (Gr 1-12)	$82,604	$2,436,729	$217				$2,519,550
English as a Second Language	$126,680	$300,584	$13,837				$441,100
French Language Program & Francisation (all jurisdictions)							
First Nations, Metis and Inuit Education (ECS - Gr 12)	$51,282	$111,598	$9,446				$172,325
Home Education	$92,979	$9,417	$3,643				$106,039
Institutional Programs							
Alberta Initiative for School Improvement	$602,377	$182,957	$391,744				$1,177,078
Student Health Initiative	$97,914	$276,740	$54,349				$429,003
High Speed Networking			$180,694				$180,694
Class Size	$964,595						$964,595
Children and Youth with Complex Needs (ECS - Gr 12)		$5,721					$5,721
All Other Student Instruction Expenses (ECS - Gr 12)	$24,708,481	$565,690	$2,661,317	$628,350	($28,365)	$2,799,294	$31,334,765
TOTAL EXPENSES	$30,049,253	$6,419,543	$4,071,591	$628,350	($28,365)	$2,799,294	$43,939,663

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.5	3.9
ECS Program Unit (PUF)	0.2	12.9
Severe Disabilities (Gr 1-12)	1.1	86.8

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 2155

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$60,166,646**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**4.15%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,498,721
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222		
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	5,694	
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,498,721**
Less: 2005/2006 Board and System Administration expenses		-$1,954,337
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$544,384

School Jurisdiction Code: 2155

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$847,992
Source of Net School Generated Funds:				
Fundraising activities	$1,458,104	$381,733	$1,076,371	
Student fees (Non-Instructional) (Note 2)	$1,235,415	$99,159	$1,136,256	
Donations and grants to schools	$192,326		$192,326	
Other (describe): Investment Income	$163,707	$342	$163,365	
Net Additions to SGF	$3,049,552	$481,234		$2,568,318
Net SGF Available for Spending				$3,416,310
Application of Net School Generated Funds:				
Extra-curricular activities			$1,309,596	
School site beautification			$66,742	
Field Trips			$895,921	
Equipment			$23,152	
Family literacy and other community resources			$253	
Other (describe): Bank Charges, Student Awards			$231,027	
Net SGF Expended (Note 3)				$2,526,691
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$889,619

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 2155

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,078,957	$510,569		$14,403	$103,090	$1,707,019		$1,707,019
Uncertificated benefits	$274,850	$124,089			$18,573	$417,512		$417,512
Sub-total Remuneration	$1,353,807	$634,657		$14,403	$121,663	$2,124,530		$2,124,530
Contracted Services	$102,536	$64,689	$17,751	$305,523	$382,738	$873,236		$873,236
Supplies	$166,488	$277,992		$110,792	$7,803	$563,075		$563,075
Electricity			$599,878			$599,878		$599,878
Natural Gas/Heating Fuel			$583,058			$583,058		$583,058
Sewer and Water			$143,356			$143,356		$143,356
Telecommunications			$21,924			$21,924		$21,924
Insurance					$130,495	$130,495		$130,495
Amortization of capital assets								
Supported							$2,462,995	$2,462,995
Unsupported						$23,186		$23,186
Total Amortization						$23,186	$2,462,995	$2,486,181
Interest on capital debt								
Supported							$359,553	$359,553
Unsupported								
Other interest charges						$588		$588
Losses on disposal of capital assets								
Cost recoveries between programs								
TOTAL EXPENSES	$1,622,832	$977,338	$1,365,967	$430,718	$642,698	$5,063,328	$2,822,548	$7,885,876
SQUARE METRES								
School Buildings								87,583.0
Non School Buildings								1,589.4

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety staindards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 2155

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200(
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	W. Golbeck	1.0	$11,984	$2,991	$450			$15,425	$9,815
Name									
Other Board Members:									
Name	C. Howard	1.0	$10,140	$191	$450			$10,781	$1,000
Name	C. Painter	1.0	$12,145	$2,988	$450			$15,583	$5,284
Name	P. Crown	1.0	$8,226	$1,198	$450			$9,874	$417
Name	S. Holsworth	1.0	$8,953	$3,879	$450			$13,281	$3,729
Name	K. Harries	1.0	$17,451	$2,047	$450			$19,949	$5,678
Name	J. Bazant	1.0	$11,378	$2,647	$450			$14,475	$1,708
Name	C. Fisher	1.0	$7,468	$3,335	$450			$11,253	$1,869
Name	L. Maerz	1.0	$11,533		$450			$11,983	$6,276
Name									
Name									
Name									
Name									
Name									
Name									
Name									
Name									
Name									
Name									
Name									
Subtotal		*9.0*	*$99,278*	*$19,275*	*$4,050*			*$122,603*	*$35,776*
Superintendent	D. McBeth	1.0	$123,851	$9,816				$133,667	$8,027
Superintendent									
Secretary/Treasurer	E. Latka (Acting)	1.0	$100,177	$16,475				$116,652	$894
Secretary/Treasurer									
Board Secretary									
Board Secretary									
Board Treasurer									
Board Treasurer									
Certificated Salaries		359.4	$27,009,306	$3,074,955	$515,869			$30,600,130	
Uncertificated Salaries & Wages		432.0	$8,520,512	$2,142,680				$10,663,192	
TOTALS			**$35,853,123**	**$5,263,202**	**$519,919**			**$41,636,244**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 3240

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006

[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Grande Prairie Public School District #2357
Legal Name of School Jurisdiction

10213 - 99 Street, Grande Prairie, Alberta T8V 2H3
Mailing Address

Phone (780) 532 - 4491 **Fax (780) 539 - 4265**
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Grande Prairie Public School District #2357 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

John Lehners	"ORIGINAL SIGNED"
Name	**Signature**

SUPERINTENDENT

Christopher Gonnet	"ORIGINAL SIGNED"
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Russell Horswill	"ORIGINAL SIGNED"
Name	**Signature**

28-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 3240

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FLETCHER MUDRYK & CO. LLP
CHARTERED ACCOUNTANTS

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T8V 5V4

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Email: info@fletchermudryk.com

AUDITORS' REPORT

To the Board of Trustees
Grande Prairie Public School District No. 2357

We have audited the statement of financial position of the **Grande Prairie Public School District No. 2357** as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These audited financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these audited financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the audited financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the audited financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall audited financial statement presentation.

In our opinion, these audited financial statements present fairly, in all material respects, the financial position of the School District as at August 31, 2006 and the revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic audited financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic audited financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic audited financial statements taken as a whole.

Grande Prairie, Alberta
November 2, 2006

Fletcher Mudryk & Co.
Chartered Accountants

School Jurisdiction Code: 3240

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$2,045,149	$14,548
Accounts receivable (net after allowances)		$3,068,628	$3,762,822
Prepaid expenses		$1,180,995	$1,539,143
Other current assets		$191,207	$214,621
Total current assets		$6,485,979	$5,531,134
School generated assets		$352,383	$308,916
Trust assets		$1,116,215	$740,355
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$431,253	$431,253
Buildings	$78,205,429		
Less: accumulated amortization	($37,003,888)	$41,201,541	$38,626,490
Equipment	$1,742,586		
Less: accumulated amortization	($683,128)	$1,059,458	$1,076,255
Vehicles	$466,462		
Less: accumulated amortization	($234,646)	$231,816	$219,120
Total capital assets		$42,924,068	$40,353,118
TOTAL ASSETS		$50,878,645	$46,933,523
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$886,075
Accounts payable and accrued liabilities		$4,058,242	$2,837,118
Deferred revenue		$1,009,923	$1,216,457
Deferred capital allocations		$1,115,933	$333,147
Current portion of all long term debt		$1,392,897	$1,392,897
Total current liabilities		$7,576,995	$6,665,694
School generated liabilities		$352,383	$308,916
Trust liabilities		$1,116,215	$740,355
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$8,921,882	$10,292,779
	Less: Current portion of supported debt	($1,370,897)	($1,370,897)
Unsupported:	Debentures and Capital Loans	$27,200	$49,200
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	($22,000)	($22,000)
Other long term liabilities		$0	$0
Unamortized capital allocations		$32,124,237	$28,140,284
Total long term liabilities		$41,149,020	$38,138,637
TOTAL LIABILITIES		$48,726,015	$44,804,331
NET ASSETS			
Unrestricted net assets		$5,444	$3,097
Operating Reserves		$253,472	$212,389
Accumulated Operating Surplus (Deficit)		$258,916	$215,486
Investment in capital assets		$1,850,751	$1,870,855
Capital Reserves		$42,963	$42,851
Total Capital Funds		$1,893,714	$1,913,706
Total net assets		$2,152,630	$2,129,192
TOTAL LIABILITIES AND NET ASSETS		$50,878,645	$46,933,523

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 3240

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$48,583,625	$47,009,872	$44,015,133
Federal Government and/or First Nations	$143,133	$0	$191,026
Other Alberta school authorities	$500,830	$382,075	$409,127
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$49,900	$0	$47,126
Instruction resource fees	$386,316	$339,042	$390,656
Transportation fees	$0	$0	$0
Other sales and services	$607,223	$208,000	$520,479
Investment income	$94,237	$25,000	$45,287
Gifts and donations	$103,858	$0	$73,315
Rentals of facilities	$42,997	$50,000	$39,858
Net school generated funds	$677,356	$500,000	$623,965
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$2,189,604	$2,194,160	$2,207,599
Total Revenues	$53,379,079	$50,708,149	$48,563,571
EXPENSES			
Certificated salaries	$26,285,593	$25,375,943	$23,978,878
Certificated benefits	$3,384,492	$3,559,031	$3,127,619
Uncertificated salaries and wages	$7,800,065	$7,669,690	$7,031,940
Uncertificated benefits	$2,082,717	$1,919,579	$1,905,246
Services, contracts and supplies	$9,843,861	$8,399,956	$8,270,652
Net school generated funds	$677,356	$500,000	$623,965
Capital and debt services			
Amortization of capital assets			
Supported	$2,189,604	$2,194,160	$2,207,599
Unsupported	$151,624	$151,890	$141,089
Total Amortization of capital assets	$2,341,228	$2,346,050	$2,348,688
Interest on capital debt			
Supported	$934,006	$930,200	$1,074,158
Unsupported	$3,414	$4,200	$6,929
Total Interest on capital debt	$937,420	$934,400	$1,081,087
Other interest charges	$2,909	$3,500	$7,532
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$53,355,641	$50,708,149	$48,375,607
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$23,438	$0	$187,964
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$23,438	$0	$187,964

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 3240

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$23,438	$187,964
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($2,189,604)	($2,207,599)
Total amortization expense	$2,341,228	$2,348,688
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$694,194	$9,394
Prepaids and other current assets	$381,562	($766,356)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$1,221,124	($80,683)
Deferred revenue	($206,534)	$448,077
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$2,265,408	($60,515)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($4,738,365)	($570,322)
Equipment	($143,762)	($194,703)
Vehicles	($51,068)	($26,000)
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($4,933,195)	($791,025)
C. FINANCING ACTIVITIES		
Capital allocations	$5,606,463	$540,410
Issue of long term debt	$0	$0
Repayment of long term debt	($1,392,897)	($1,451,696)
Add back: supported portion	$1,370,897	$1,429,696
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$5,584,463	$518,410
Net sources (uses) of cash during year	$2,916,676	($333,130)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	($871,527)	($538,397)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$2,045,149	($871,527)

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 3240

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$2,129,192	$1,870,855	$3,097	$255,240	$212,389	$0	$0	$22,751	$0	$0	$0	$20,100	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$2,129,192	$1,870,855	$3,097	$255,240	$212,389	$0	$0	$22,751	$0	$0	$0	$20,100	$0	$0
Excess(def) of revenue over expenses	$23,438		$23,438											
Board funded capital transactions		$109,520	($109,520)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,341,228)	$2,341,228											
Amortization of capital allocations		$2,189,604	($2,189,604)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$22,000	($22,000)											
Net transfers to operating reserves			($41,083)	$41,083	$41,083		$0		$0		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			($30,000)	$30,000		$0		$0		$0		$30,000		$0
Net transfers from capital reserves			$29,888	($29,888)		$0		$0		$0		($29,888)		$0
Balance at August 31, 2006	$2,152,630	$1,850,751	$5,444	$296,435	$253,472	$0	$0	$22,751	$0	$0	$0	$20,212	$0	$0

School Jurisdiction Code: 3240

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$333,147	$28,140,284
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$333,147	$28,140,284
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$4,755,952	
	Infrastructure & Transportation-School/Modular Project Capital *	$850,511	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		$0	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$1,370,897
Expended capital allocations - current year		($4,823,677)	$4,823,677
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$21,017
Capital allocations amortized to revenue			$2,189,604
Balance at August 31, 2006		$1,115,933	$32,124,237

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The School District delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta, 2000, Chapter S-3.

The School District receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School District is limited on certain funding allocations and administration expenses.

2. SIGNIFICANT ACCOUNTING POLICIES

These audited financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of audited financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The audited financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions-in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end and are, accordingly, recorded as prepaid expenses. In addition, certain insurance expenses fall into this category.

School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

Capital Assets

Capital assets are recorded at cost. Rates of amortization applied on a straight-line basis to write off the cost of capital assets over their estimated useful lives are as follows:

Buildings	2.5% to 10%	10 years to 40 years
Equipment	10% to 20%	5 years to 10 years
Vehicles	10% to 20%	5 years to 10 years

No amortization is recorded in the year of acquisition. Amortization is not recorded on construction in progress until such time as the project is substantially complete.

When capital assets are sold or scrapped, the cost of the asset and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income. No amortization is recorded in the year of disposition.

Only capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the audited financial statements.

Pensions

Pension costs included in these audited financial statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Grande Prairie Public School District No. 2357 does not make pension contributions for certificated staff.

The School District participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $485,833 (2005 – $409,361) for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the District to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

Financial Instruments

The School District's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The School District has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Measurement Uncertainty

The preparation of the audited financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the audited financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the audited financial statements of changes in such estimates in future periods could be significant.

3. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Education	$ 2,123,792	$ 2,998,846
Alberta Finance	442,578	516,272
Other Province of Alberta	17,945	35,302
Federal Government	223,109	87,084
Alberta Municipalities	46,099	-
Other Alberta School Jurisdictions	20,000	10,000
Other	195,105	115,318
	$ 3,068,628	$ 3,762,822

4. BANK INDEBTEDNESS

The School District has bank financing available to a maximum of $3,500,000 that bears interest at the bank prime rate minus 0.25%. This line of credit is secured by a borrowing bylaw and a security agreement covering all revenue of the School District. There was no balance outstanding on the line of credit at August 31, 2006.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Alberta Finance	$ 444,842	$ 520,534
Other Province of Alberta	114,703	362,319
Alberta Municipalities	533,737	402,688
Other Alberta School Jurisdictions	260,714	147,534
Trade payables and accrued liabilities	2,704,246	1,404,043
	$ 4,058,242	$ 2,837,118

6. DEFERRED REVENUE

	2006	2005
Infrastructure Maintenance Renewal (Ab. Ed.)	$ 293,010	$ -
Infrastructure Maintenance Renewal (AI & T)	-	271,152
Modernization Block Funding	-	543,106
Regional Education Consulting Services Initiative	61,248	61,248
Textbooks – Classroom Resource Funding	-	129,000
Small Class Size Initiative Funding	-	47,619
Infrastructure Conditional Grant	312,033	-
Alberta Education Conditional Grant	150,000	-
Teleconferencing Funding	60,000	60,000
Other	133,632	104,332
	$ 1,009,923	$ 1,216,457

7. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the School District, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

8. TRUST ASSETS AND LIABILITIES

These balances represent cash held in trust by the district.

	2006	2005
Student Health Initiative Trust (SHI Banker Board)	$ 345,116	$ 331,374
Northwest Regional Learning Consortium Trust (Banker Board)	771,099	408,981
	$ 1,116,215	$ 740,355

9. LONG-TERM DEBT

		2006	2005
(a)	Debentures - supported	$ 8,921,882	$ 10,292,779
	- unsupported	27,200	49,200
		8,949,082	10,341,979
	Less current portion	(1,392,897)	(1,392,897)
		$ 7,556,185	$ 8,949,082

The debentures are issued from the Alberta Capital Finance Authority to finance construction of school buildings, bear interest at rates ranging from 7.5% to 12.0% per annum and mature in 2007 through 2020.

9. LONG-TERM DEBT – continued

Debenture repayments required in each of the next five fiscal years to maturity are as follows:

	Principal	Interest	Total
2007	$ 1,392,897	$ 868,082	$ 2,260,979
2008	1,376,097	723,052	2,099,149
2009	1,163,659	580,038	1,743,697
2010	903,659	462,516	1,366,175
2011	867,895	376,194	1,244,089
2012 to maturity	3,244,875	1,057,708	4,302,583
Total	$ 8,949,082	$ 4,067,590	$ 13,016,672

(b) Capital leases – unsupported

Currently, there are no capital leases held by the School District.

10. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

11. COMMITMENTS

The School District is committed to further expenditures of approximately $1,288,000 for the delivery, set up, equipment and dismantling for twenty-one leased portables. The School District is committed to lease the twenty-one portables for a minimum period of forty-eight months commencing in September, 2006 at a net annual cost of $439,316. It is anticipated that those costs will be fully funded by allocations from Alberta Education.

The School District is committed to a forty-eight month lease for nine portables, expiring in August, 2009 at a net annual cost of $163,398. It is anticipated that those costs will be fully funded by allocations from Alberta Education.

11. COMMITMENTS – continued

The School District is committed to further expenditures of approximately $15,864,000 for the new school construction of Derek Taylor Public School. It is anticipated that those costs will be fully funded by allocations from Alberta Education.

The School District is committed to further expenditures of approximately $1,296,000 for the delivery, set up and connection of twenty-one new modular classrooms at Alexander Forbes School. It is anticipated that those costs will be fully funded by allocations from Alberta Education.

The School District is committed to a forty-eight month lease for computer network equipment, expiring in June, 2009 at a net annual cost of $20,126. It is anticipated that these amounts will be funded on an annual basis through the normal budgeting process.

The School District is committed to a forty-eight month lease for computer workstation equipment, commencing in October, 2006 at a net annual cost of $369,052. It is anticipated that these amounts will be funded on an annual basis through the normal budgeting process.

The School District is committed to severance and/or retirement pay for senior administrative officers for a total maximum liability of $250,000, of which a total of $100,000 (2005 – $121,842) has been accrued in these audited financial statements.

In addition, the School District is committed to early retirement incentive pay for an estimated total liability of $330,014, of which $18,204 has been accrued in the audited financial statements. It is anticipated that these amounts will be funded on an annual basis through the normal budgeting process.

GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT NO. 2357
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2006

12. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Grande Prairie Public School District No. 2357 had related party transactions for the year ended August 31, 2006 with Government of Alberta related parties recorded on the statement of revenues and expenses and statement of financial position.

	Balances		Transactions	
2005-2006	Assets	Liabilities	Revenues	Expenses
Government of Alberta:				
Education	$ 2,123,792	$ 564,258	$ 46,266,072	$ -
Infrastructure and transportation	-	312,033	1,181,601	-
Finance	442,578	9,393,924	934,006	-
Other Government of Alberta departments	1,688	-	201,946	-
Other:				
Health Authorities	16,257	114,703	-	386,813
Other Alberta School Jurisdictions	20,000	260,714	500,830	-
Total 2005-2006	$ 2,604,315	$ 10,645,632	$ 49,084,455	$ 386,813
Total 2004-2005	$ 3,560,420	$ 12,484,491	$ 44,424,260	$ 374,210

13. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The School District's primary source of income is from the Alberta Government. The School District's ability to continue viable operations is dependent on this funding.

14. THE URBAN SCHOOLS INSURANCE CONSORTIUM

The School District is a member of The Urban Schools Insurance Consortium (USIC), which facilitates the placement of property and liability insurance coverage for thirteen Jurisdictions throughout the province of Alberta. Premium rebates are received from the insurers' favorable claims experience and accumulated by the consortium to self-insure a portion of the member's risk exposure. The School District's share of the accumulated consortium funds as at August 31, 2006 was $187,264 (2005 – $207,248)

15. BUDGET AMOUNTS

The budget was prepared by the School District and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS

School Jurisdiction Cod 3240

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$46,266,072	$37,407,992	$4,533,884	$1,390,424	$1,695,000	$1,238,772
(2) **Alberta Infrastructure & Transportation**	$1,181,601	$0	$1,181,601			
(3) **Alberta Finance**	$934,006		$934,006			$0
(4) **Other - Government of Alberta**	$201,946	$84,091	$0	$0	$0	$117,855
(5) **Federal Government and/or First Nations**	$143,133	$26,105	$705	$0	$0	$116,323
(6) **Other Alberta school authorities**	$500,830	$91,305	$0	$0	$0	$409,525
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$49,900	$0	$0	$0	$0	$49,900
(9) **Instruction resource fees**	$386,316	$386,316				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$607,223	$427,770	$125,041	$0	$33,794	$20,618
(12) **Investment income**	$94,237	$0	$0	$0	$82,973	$11,264
(13) **Gifts and donations**	$103,858	$103,858	$0	$0		$0
(14) **Rentals of facilities**	$42,997	$0	$42,997	$0	$0	$0
(15) **Net school generated funds**	$677,356	$677,356			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$2,189,604	$0	$2,170,011	$19,593		$0
(18) **TOTAL REVENUES**	$53,379,079	$39,204,793	$8,988,245	$1,410,017	$1,811,767	$1,964,257
EXPENSES						
(19) **Certificated salaries**	$26,285,593	$25,665,843			$347,920	$271,830
(20) **Certificated benefits**	$3,384,492	$3,318,501			$31,354	$34,637
(21) **Uncertificated salaries and wages**	$7,800,065	$4,590,300	$1,807,219	$52,390	$595,162	$754,994
(22) **Uncertificated benefits**	$2,082,717	$1,282,838	$443,850	$13,905	$158,693	$183,431
(23) **SUB - TOTAL**	$39,552,867	$34,857,482	$2,251,069	$66,295	$1,133,129	$1,244,892
(24) **Services, contracts & supplies**	$9,843,861	$3,823,534	$3,444,853	$1,281,102	$575,007	$719,365
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$677,356	$677,356				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$2,189,604	$0	$2,170,011	$19,593	$0	$0
(28) Unsupported	$151,624	$0	$123,800	$9,182	$18,642	$0
(29) Total Amortization	$2,341,228	$0	$2,293,811	$28,775	$18,642	$0
Interest on capital debt						
(30) Supported	$934,006	$0	$934,006	$0	$0	$0
(31) Unsupported	$3,414	$0	$3,414	$0	$0	$0
(32) Other interest charges	$2,909	$0	$0	$0	$2,909	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$53,355,641	$39,358,372	$8,927,153	$1,376,172	$1,729,687	$1,964,257
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$23,438	($153,579)	$61,092	$33,845	$82,080	$0

School Jurisdiction Code: 3240

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,305,072
Base Instruction (Gr 1-12)	$27,171,334
Outreach Programs	$104,040
Home Education	$0
Differential Cost Funding *	$13,179,534
Other Provincial Support	
Institutional Programs	$322,962
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$1,031,760
Learning Resources Credit Allocation	$34,313
Provincial Priority Targeted Funding	
Class Size Initiative	$1,290,625
Student Health Initiative (SHI)	$386,813
Alberta Initiative for School Improvement (AISI)	$690,375
High Speed Networking	$93,241
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$90,549
Other Alberta Education Revenues (describe): Resources for the Classroom, Regional Consortium Conditional, Portable support	$565,454
Total Alberta Education Revenues	$46,266,072

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilities/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 3240

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$2,484,266	$1,179,296	$145,853		$0	$0	$3,809,415
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$621,832	$673,988	$116,375		$0		$1,412,195
ECS Program Unit (PUF)	$270,262	$761,628	$274,967		$0		$1,306,857
Severe Disabilities (Gr 1-12)	$832,333	$1,446,232	$110,318		$0		$2,388,883
English as a Second Language	$0	$18,996	$1,645		$0		$20,641
French Language Program & Francisation (all jurisdictions)	$269,886	$0	$4,533		$0		$274,419
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$11,967	$115,814		$0		$127,781
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$277,533	$36,763	$54,449		$0		$368,745
Alberta Initiative for School Improvement	$496,492	$151,284	$42,599	$0	$0		$690,375
Student Health Initiative	$0	$0	$386,813		$0		$386,813
High Speed Networking			$93,148		$0		$93,148
Class Size	$1,290,625	$0	$0	$0	$0		$1,290,625
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$22,441,115	$1,592,984	$1,474,719	$1,002,301	$0	$677,356	$27,188,475
TOTAL EXPENSES	$28,984,344	$5,873,138	$2,821,233	$1,002,301	$0	$677,356	$39,358,372

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	9.0	26.5
ECS Program Unit (PUF)	3.7	24.5
Severe Disabilities (Gr 1-12)	12.0	43.5

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 3240

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	**$53,355,641**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**4.22%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,252,942
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,252,942**
Less: 2005/2006 Board and System Administration expenses		-$1,729,687
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$523,255

School Jurisdiction Code: 3240

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$308,916
Source of Net School Generated Funds:				
Fundraising activities	$468,066	$244,508	$223,558	
Student fees (Non-Instructional) (Note 2)	$832,953	$410,572	$422,381	
Donations and grants to schools	$74,884		$74,884	
Other (describe): Misc Sales, Interest	$19,688	$19,688	$0	
Net Additions to SGF	$1,395,591	$674,768		$720,823
Net SGF Available for Spending				$1,029,739
Application of Net School Generated Funds:				
Extra-curricular activities			$519,699	
School site beautification			$0	
Field Trips			$45,363	
Equipment			$38,248	
Family literacy and other community resources			$18,653	
Other (describe): Student Incentives & Bursaries, Commencements, Bank Charges			$55,393	
Net SGF Expended (Note 3)				$677,356
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$352,383

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 3240

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,071,281	$690,684	$0	$0	$45,254	$1,807,219		$1,807,219
Uncertificated benefits	$273,098	$159,438	$0	$0	$11,314	$443,850		$443,850
Sub-total Remuneration	$1,344,379	$850,122	$0	$0	$56,568	$2,251,069		$2,251,069
Contracted Services	$37,156	$281,569	$11,006	$1,000,504	$0	$1,330,235		$1,330,235
Supplies	$166,263	$542,865	$0	$121,479	$0	$830,607		$830,607
Electricity			$528,968			$528,968		$528,968
Natural Gas/Heating Fuel			$481,800			$481,800		$481,800
Sewer and Water			$72,851			$72,851		$72,851
Telecommunications			$30,239			$30,239		$30,239
Insurance					$170,153	$170,153		$170,153
Amortization of capital assets								
Supported							$2,170,011	$2,170,011
Unsupported						$123,800		$123,800
Total Amortization						$123,800	$2,170,011	$2,293,811
Interest on capital debt								
Supported							$934,006	$934,006
Unsupported				$0		$3,414		$3,414
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,547,798	$1,674,556	$1,124,864	$1,121,983	$226,721	$5,823,136	$3,104,017	$8,927,153
SQUARE METRES								
School Buildings								66,079.3
Non School Buildings								2,452.6

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 3240

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Lehners, John	1.0	$14,513	$4,686	$0			$19,199	$6,651
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Chomyc, Ken	1.0	$10,627	$4,558	$0			$15,185	$2,131
Name	Kurylo, Paulette	1.0	$12,572	$4,622	$0			$17,194	$4,337
Name	Prokopowich, Karen	1.0	$12,787	$4,629	$0			$17,416	$7,251
Name	Shavers, Steven	1.0	$11,639	$256	$0			$11,895	$3,779
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*5.0*	*$62,138*	*$18,751*	*$0*			*$80,889*	*$24,149*
Superintendent	Gonnet, Christopher	0.1	$11,000	$1,387	$250	$0	$0	$12,637	$1,202
Superintendent	Radbourne, Lome	1.0	$124,125	$10,267	$0	$0	$0	$134,392	$3,727
Secretary/Treasurer	Horswill, Russell	1.0	$108,150	$19,991	$5,040	$0	$0	$133,181	$9,154
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		352.5	$25,686,418	$3,372,838	$172,456	$0	$294,774	$29,526,486	
Uncertificated Salaries & Wages		231.0	$7,629,777	$2,043,975	$2,115	$0	$0	$9,675,867	
TOTALS			**$33,621,608**	**$5,467,209**	**$179,861**	**$0**	**$294,774**	**$39,563,452**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 4130

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006

[School Act, Sections 147(2)(a), 148, 151(1) and 276]

GRANDE PRAIRIE R.C.S.S.D. # 28
Legal Name of School Jurisdiction

9902 - 101 STREET GRANDE PRAIRIE, Alberta
Mailing Address

Tel. (780) 532 - 3013 FAX 532 - 3430
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules GRANDE PRAIRIE R.C.S.S.D. # 28 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Name	Signature
Morag Mochan	"ORIGINAL SIGNED"

SUPERINTENDENT

Name	Signature
Karl Germann	"ORIGINAL SIGNED"

SECRETARY TREASURER OR TREASURER

Name	Signature
Grant Burge	"ORIGINAL SIGNED"

December 18, 2006
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
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AUDITOR'S REPORT

To the Board of Trustees
Grande Prairie Roman Catholic Separate School District No. 28

We have audited the statement of financial position of the **Grande Prairie Roman Catholic Separate School District No. 28** as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These audited financial statements are the responsibility of the School Jurisdiction's management. Our responsibility is to express an opinion on these audited financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the audited financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the audited financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall audited financial statement presentation.

In our opinion, these audited financial statements present fairly, in all material respects, the financial position of the School Jurisdiction as at August 31, 2006 and the revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic audited financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic audited financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic audited financial statements taken as a whole.

Fletcher, Mudryk & Co.
Chartered Accountants

Grande Prairie, Alberta
October 13, 2006

School Jurisdiction Code: 4130

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$5,464,259	$4,966,437
Accounts receivable (net after allowances)		$1,673,897	$2,935,047
Prepaid expenses		$189,347	$190,527
Other current assets		$106,188	$106,188
Total current assets		$7,433,691	$8,198,199
School generated assets		$431,154	$308,939
Trust assets		$83,678	$62,958
Long term accounts receivable		$1,360,885	$1,286,940
Long term investments		$0	$0
Capital assets			
Land		$174,200	$174,200
Buildings	$55,810,775		
Less: accumulated amortization	($17,944,040)	$37,866,735	$32,892,708
Equipment	$416,029		
Less: accumulated amortization	($195,837)	$220,192	$141,838
Vehicles	$473,747		
Less: accumulated amortization	($80,510)	$393,237	$250,943
Total capital assets		$38,654,364	$33,459,689
TOTAL ASSETS		$47,963,772	$43,316,725
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$3,727,806	$3,605,959
Deferred revenue		$1,835,929	$1,344,327
Deferred capital allocations		$1,440,380	$2,800,094
Current portion of all long term debt		$890,837	$890,837
Total current liabilities		$7,894,952	$8,641,217
School generated liabilities		$431,154	$308,939
Trust liabilities		$83,678	$62,958
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$5,073,391	$5,964,228
	Less: Current portion of supported debt	($890,837)	($890,837)
Unsupported:	Debentures and Capital Loans	$0	$0
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$31,688,570	$26,189,420
Total long term liabilities		$36,385,956	$31,634,708
TOTAL LIABILITIES		$44,280,908	$40,275,925
NET ASSETS			
Unrestricted net assets		($0)	$0
Operating Reserves		$650,529	$1,183,555
Accumulated Operating Surplus (Deficit)		$650,529	$1,183,555
Investment in capital assets		$1,892,398	$1,306,037
Capital Reserves		$1,139,937	$551,208
Total Capital Funds		$3,032,335	$1,857,245
Total net assets		$3,682,864	$3,040,800
TOTAL LIABILITIES AND NET ASSETS		$47,963,772	$43,316,725

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 4130

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$27,900,579	$27,109,354	$26,025,353
Federal Government and/or First Nations	$17,231	$13,000	$17,326
Other Alberta school authorities	$0		$1,500
Out of province authorities	$0		$0
Alberta Municipalities (excluding supplementary requisitions)	$0		$0
Instruction resource fees	$146,219	$130,650	$138,412
Transportation fees	$0	$800	$42
Other sales and services	$70,662	$22,910	$55,119
Investment income	$136,613	$63,009	$78,942
Gifts and donations	$0	$0	$0
Rentals of facilities	$36,930	$39,129	$34,793
Net school generated funds	$431,154	$360,000	$257,825
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$1,406,239	$901,237	$1,268,046
Total Revenues	$30,145,627	$28,640,089	$27,877,358
EXPENSES			
Certificated salaries	$14,421,839	$14,924,213	$13,229,140
Certificated benefits	$1,755,452	$1,932,305	$1,676,907
Uncertificated salaries and wages	$3,797,247	$3,904,939	$3,379,775
Uncertificated benefits	$887,851	$965,507	$806,958
Services, contracts and supplies	$6,012,603	$4,963,005	$5,501,725
Net school generated funds	$431,154	$271,012	$257,825
Capital and debt services			
Amortization of capital assets			
Supported	$1,406,239	$901,237	$1,268,046
Unsupported	$96,914	$66,976	$79,145
Total Amortization of capital assets	$1,503,153	$968,213	$1,347,191
Interest on capital debt			
Supported	$568,045	$710,895	$661,679
Unsupported	$0	$0	$0
Total Interest on capital debt	$568,045	$710,895	$661,679
Other interest charges	$0	$0	$247
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$29,377,344	$28,640,089	$26,861,447
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$768,283	$0	$1,015,911
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$768,283	$0	$1,015,911

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$768,283	$1,015,911
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,406,239)	($1,268,046)
Total amortization expense	$1,503,153	$1,347,191
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$1,261,150	($700,488)
Prepaids and other current assets	$1,180	$7,756
Long term accounts receivable	($73,945)	($69,861)
Long term investments	$0	$0
Payables and accrued liabilities	$121,847	$1,262,379
Deferred revenue	$491,602	$633,136
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$2,667,031	$2,227,978
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($6,530,231)	($3,869,295)
Equipment	($121,390)	($49,576)
Vehicles	($172,426)	$0
Net proceeds from disposal of capital assets	$0	$6,200
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($6,824,047)	($3,912,671)
C. FINANCING ACTIVITIES		
Capital allocations	$4,654,838	$5,127,164
Issue of long term debt	$0	$0
Repayment of long term debt	($890,837)	($901,237)
Add back: supported portion	$890,837	$901,237
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$4,654,838	$5,127,164
Net sources (uses) of cash during year	$497,822	$3,442,471
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$4,966,437	$1,523,966
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$5,464,259	$4,966,437

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006
(in dollars)

School Jurisdiction 4130

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$3,040,800	$1,306,037	$0	$1,734,763	$694,218	$0	$200,000	$320,321	$7,992	$100,634	$281,345	$130,253	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$3,040,800	$1,306,037	$0	$1,734,763	$694,218	$0	$200,000	$320,321	$7,992	$100,634	$281,345	$130,253	$0	$0
Excess(def) of revenue over expenses	$768,283		$768,283											
Board funded capital transactions		$809,494	($809,494)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,503,153)	$1,503,153											
Amortization of capital allocations		$1,406,239	($1,406,239)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	($126,219)	($126,219)	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($45,857)	$45,857	$45,857		$0		$0		$0		$0	
Net transfers from operating reserves			$578,883	($578,883)	($397,538)		$0		$0		($181,345)		$0	
Net transfers to capital reserves			($588,729)	$588,729		$0		$291,184		$0		$297,545		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$3,682,864	$1,892,398	($0)	$1,790,466	$342,537	$0	$200,000	$611,505	$7,992	$100,634	$100,000	$427,798	$0	$0

School Jurisdiction Code: 4130

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$2,800,094	$26,189,420
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$2,800,094	$26,189,420
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$0	
	Infrastructure & Transportation-School/Modular Project Capital *	$4,539,637	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		$115,201	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$890,837
Expended capital allocations - current year		($6,014,552)	$6,014,552
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$1,406,239
Balance at August 31, 2006		$1,440,380	$31,688,570

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2006

1. AUTHORITY AND PURPOSE

The school jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta, 2000, Chapter S-3.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The school jurisdiction is limited on certain funding allocations and administration expenses.

2. SIGNIFICANT ACCOUNTING POLICIES

These audited financial statements are prepared in accordance with Canadian generally accepted accounting principles. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of audited financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The audited financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Investments

Short-term investments are recorded at the lower of cost or net realizable value.

Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end and are, accordingly, recorded as prepaid expenses. In addition, certain insurance expenses fall into this category.

Capital assets

Capital assets are recorded at cost. Only capital assets with a cost in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset. Rates of amortization applied on a straight-line basis to write off the cost of capital assets over their estimated useful lives are as follows:

Buildings	2.5%	to	10%	(10 years to 40 years)
Equipment	10%	to	20%	(5 years to 10 years)
Vehicles	10%	to	20%	(5 years to 10 years)

No amortization is recorded in the year of acquisition.

When capital assets are sold or scrapped, the cost of the asset and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income. No amortization is recorded in the year of disposition.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions-in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

School generated funds

These are funds in the community, which come under the control and responsibility of the school principal, are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Contributed services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the audited financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Pension obligation

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Grande Prairie Roman Catholic Separate School District No. 28 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual employer contributions of $213,391 (2005 - $185,682) for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $0.864 million (2004 deficiency of $1.289 million).

Operating and capital reserves

Reserves are established, at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Financial instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

The jurisdiction has an operating line of credit of $1.25 million. As at August 31, 2006, there is no balance owing.

3. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Infrastructure	$ 371,337	$ 1,529,686
Province of Alberta – other	263,675	310,886
Federal Government	160,178	233,665
Alberta Municipalities	552,953	569,533
Other Alberta School Jurisdictions	172,002	172,002
Other	153,752	119,275
	$ 1,673,897	$ 2,935,047

4. LONG-TERM ACCOUNTS RECEIVABLE

	2006	2005
Alberta Infrastructure Community Knowledge Campus	$ 1,360,885	$ 1,286,940

5. ACCOUNTS PAYABLE AND LIABILITIES

	2006	2005
Alberta Education	$ 549,480	$ 552,725
Alberta Finance	263,693	310,904
Other trade payables and accrued liabilities	2,914,633	2,742,330
	$ 3,727,806	$ 3,605,959

6. DEFERRED REVENUE

	2006	2005
Class Size Reduction funding	$ 938,378	$ 490,348
SHI Complex Needs funding	396,517	234,464
Other Alberta Education grants	222,136	381,796
Religious Education funding	204,225	-
Infrastructure Plant Operations and Maintenance grant	-	102,189
Other deferred revenue	74,673	135,530
	$ 1,835,929	$ 1,344,327

7. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account. Details of the changes in the deferred capital allocations account are as follows:

	2006	2005
Balance – beginning of year	$ 2,800,094	$ 1,542,225
Allocations received and receivable during year	4,654,838	5,127,164
Transfers to unamortized capital allocations (note 7)	(6,014,552)	(3,869,295)
Balance – end of year	$ 1,440,380	$ 2,800,094

8. LONG-TERM DEBT

(a) Debenture Debt – Supported

The debenture debt bears interest at rates varying between 8.125% and 12.0% per annum and mature in 2007 through 2016. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt. Therefore, the working capital (current assets minus current liabilities) is understated by this amount.

Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2007	$ 890,837	$ 520,708	$ 1,411,545
2008	849,209	426,161	1,275,370
2009	759,073	336,609	1,095,682
2010	674,747	257,873	932,620
2011	628,746	188,557	817,303
2012 to maturity	1,270,779	268,336	1,539,115
	$ 5,073,391	$ 1,998,244	$ 7,071,635

(b) Capital Leases - Unsupported

Currently, there are no capital leases held by the jurisdiction.

9. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid.

Details of the changes to the account are as follows:

Balance – beginning of year	$ 26,189,420	$ 22,686,935
Supported debenture principal repayments	890,837	901,236
Transfers from deferred capital allocations (note 7)	6,014,552	3,869,295
Less: Capital allocation revenue	(1,406,239)	(1,268,046)
Balance - end of year	$ 31,688,570	$ 26,189,420

10. INTERNALLY RESTRICTED NET ASSETS

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the Board.

	August 31, 2005	Appropriated	Utilized	August 31, 2006
Operating Reserves				
School-based	$ 675,946	$ 45,857	$ 397,537	$ 324,266
Stabilization fund	18,271	-	-	18,271
Transportation	281,346	-	181,346	100,000
Operations and maintenance	200,000	-	-	200,000
Board and system administration	7,992	-	-	7,992
	1,183,555	45,857	578,883	650,529
Capital Reserves				
Land – unsupported	12,170	-	-	12,170
Buildings - unsupported	100,634	-	-	100,634
Infrastructure – Buildings & equipment	308,151	291,184	-	599,335
Transportation – Buildings & Equipment	-	297,545	-	297,545
Transportation - Vehicles	130,253	-	-	130,253
	551,208	588,729	-	1,139,937
	$ 1,734,763	$ 634,586	$ 578,883	$ 1,790,466

GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2006

11. COMMITMENTS

The jurisdiction is committed to further capital expenditures for the St. Gerard School Expansion Project of approximately $367,000. It is anticipated that those costs will be fully funded by the capital allocations from Alberta Infrastructure.

The jurisdiction is also committed to further capital expenditures for the Community Knowledge Campus of approximately $1,029,000. It is anticipated that those costs will be fully funded by the capital allocations from Alberta Infrastructure.

The school district is committed to severance and/or retirement pay for senior administrative officers. As at August 31, 2006, the recorded obligation is $109,233 (2005 – $98,799). The total expense recorded in the audited financial statements is $10,434 (2005 – $14,250).

12. CONTINGENCIES

The jurisdiction is a member of The Urban Schools Insurance Consortium (USIC), which facilitates the placement of property and liability insurance coverage for thirteen jurisdictions throughout the province of Alberta. Premium rebates are received from the insurers favorable claims experience and accumulated by the consortium to self-insure a portion of the member's risk exposure. The jurisdiction's share of the accumulated consortium funds as at August 31, 2006 was $95,698 (2005 – $106,188).

13. ECONOMIC DEPENDENCE

The school jurisdiction's primary source of income is from the Alberta Government. The jurisdiction's ability to continue viable operations is dependent on this funding.

14. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS

School Jurisdiction Cod 4130

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$26,959,389	$21,677,518	$2,619,086	$1,623,630	$1,039,155	$0
(2) **Alberta Infrastructure & Transportation**	$255,912	$0	$255,912			
(3) **Alberta Finance**	$568,045		$568,045			$0
(4) **Other - Government of Alberta**	$117,233	$12,200	$4,800	$0	$0	$100,233
(5) **Federal Government and/or First Nations**	$17,231	$17,231		$0	$0	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$146,219	$146,219				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$70,662	$70,662	$0	$0	$0	$0
(12) **Investment income**	$136,613	$102,460	$24,590	$5,465	$4,098	$0
(13) **Gifts and donations**	$0	$0	$0	$0		$0
(14) **Rentals of facilities**	$36,930	$0	$36,930	$0		$0
(15) **Net school generated funds**	$431,154	$431,154			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$1,406,239	$0	$1,406,239	$0		$0
(18) **TOTAL REVENUES**	$30,145,627	$22,457,444	$4,915,602	$1,629,095	$1,043,253	$100,233
EXPENSES						
(19) **Certificated salaries**	$14,421,839	$14,239,347			$182,492	$0
(20) **Certificated benefits**	$1,755,452	$1,730,245			$25,207	$0
(21) **Uncertificated salaries and wages**	$3,797,247	$2,161,124	$1,117,646	$84,467	$434,010	$0
(22) **Uncertificated benefits**	$887,851	$538,971	$241,707	$22,247	$84,926	$0
(23) **SUB - TOTAL**	$20,862,389	$18,669,687	$1,359,353	$106,714	$726,635	$0
(24) **Services, contracts & supplies**	$6,012,603	$2,601,602	$1,667,786	$1,326,364	$316,618	$100,233
(25) **Cost recoveries between programs**	$0	$271,293	($169,764)	($101,529)	$0	$0
(26) **Net school generated funds**	$431,154	$431,154				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,406,239	$0	$1,406,239	$0	$0	$0
(28) Unsupported	$96,914	$0	$96,914	$0	$0	$0
(29) Total Amortization	$1,503,153	$0	$1,503,153	$0	$0	$0
Interest on capital debt						
(30) Supported	$568,045	$0	$568,045	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$29,377,344	$21,973,736	$4,928,573	$1,331,549	$1,043,253	$100,233
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$768,283	$483,708	($12,971)	$297,545	$0	$0

School Jurisdiction Code: 4130

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$923,472
Base Instruction (Gr 1-12)	$16,281,870
Outreach Programs	$52,020
Home Education	$3,565
Differential Cost Funding *	$3,879,509
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$39,954
Provincial Priority Targeted Funding	
Class Size Initiative	$37,474
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$418,375
High Speed Networking	$114,378
Children and Youth with Complex Needs	$31,983
Infrastructure Maintenance Renewal (IMR)	$255,912
Other Alberta Education Revenues (describe):	$4,920,877
Total Alberta Education Revenues	$26,959,389

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 4130

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,125,250	$1,044,235	$82,270		$0	$0	$2,251,755
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$431,701	$91,971	$42,078		$0		$565,750
ECS Program Unit (PUF)	$177,104	$93,202	$72,167		$0		$342,473
Severe Disabilities (Gr 1-12)	$61,617	$545,972	$92,055		$0		$699,644
English as a Second Language	$0	$84,015	$0		$0		$84,015
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$119,261	$43,000	$132,348		$0		$294,609
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$397,402	$0	$51,960	$0	$0		$449,362
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$0		$0		$0
Class Size	$120,400	$0	$0	$0	$0		$120,400
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$31,983		$0		$31,983
All Other Student Instruction Expenses (ECS - Gr 12)	$13,527,559	$769,178	$1,873,793	$0	$271,293	$431,153	$17,133,745
TOTAL EXPENSES	$15,960,294	$2,671,573	$2,378,654	$0	$271,293	$431,153	$21,973,736

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	11.0	31.5
ECS Program Unit (PUF)	2.9	12.5
Severe Disabilities (Gr 1-12)	1.5	27.0

Note:

1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 4130

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$29,377,344**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over = 4%		**5.39%**
If "Total Net Enrolled Students" are 2,000 and less = 6%		

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,584,614
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	3,212	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,584,614**
Less: 2005/2006 Board and System Administration expenses		-$1,043,253
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$541,361

School Jurisdiction Code: 4130

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$308,939
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$915,396	$688,579	$226,817	
Student fees (Non-Instructional) (Note 2)	$287,030	$0	$287,030	
Donations and grants to schools	$29,474		$29,474	
Other (describe):	$243,833	$243,833	$0	
Net Additions to SGF	$1,475,733	$932,412		$543,321
Net SGF Available for Spending				$852,260
Application of Net School Generated Funds:				
Extra-curricular activities			$258,125	
School site beautification			$0	
Field Trips			$127,450	
Equipment			$0	
Family literacy and other community resources			$35,531	
Other (describe):			$0	
Net SGF Expended (Note 3)				$421,106
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$431,154

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 4130

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$883,423	$203,223	$0	$0	$31,000	$1,117,646		$1,117,646
Uncertificated benefits	$192,539	$40,968	$0	$0	$8,200	$241,707		$241,707
Sub-total Remuneration	$1,075,962	$244,191	$0	$0	$39,200	$1,359,353		$1,359,353
Contracted Services	$78,368	$161,156	$0	$466,485	$0	$706,009		$706,009
Supplies	$146,065	$148,559	$0	$3,907	$8,512	$307,043		$307,043
Electricity			$316,479			$316,479		$316,479
Natural Gas/Heating Fuel			$230,597			$230,597		$230,597
Sewer and Water			$48,470			$48,470		$48,470
Telecommunications			$5,796			$5,796		$5,796
Insurance					$53,392	$53,392		$53,392
Amortization of capital assets								
Supported							$1,406,239	$1,406,239
Unsupported						$96,914		$96,914
Total Amortization						$96,914	$1,406,239	$1,503,153
Interest on capital debt								
Supported							$568,045	$568,045
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						($169,764)		($169,764)
TOTAL EXPENSES	$1,300,395	$553,906	$601,342	$470,392	$101,104	$2,954,289	$1,974,284	$4,928,573
SQUARE METRES								
School Buildings								40,454.0
Non School Buildings								1,487.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BGRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project 'administration', administration of joint-use agreements and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 4130

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-2006
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Moreg Mochan	1.0	$19,486	$2,400	$0			$21,886	$2,900
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Alice Brick	1.0	$13,222	$0	$0			$13,222	$2,502
Name	Derek Dyck	1.0	$14,301	$3,657	$0			$17,958	$3,842
Name	John Krol	1.0	$11,207	$4,003	$3,015			$18,225	$0
Name	Laureen Lushman	1.0	$14,229	$3,227	$0			$17,456	$726
Name	Alison Renneberg	1.0	$12,286	$3,068	$4,366			$19,720	$528
Name	Ralph Wohlgemuth	1.0	$14,336	$2,938	$0			$17,274	$2,113
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$99,067*	*$19,293*	*$7,381*			*$125,741*	*$12,611*
Superintendent	Karl Germann	1.0	$125,573	$20,370	$3,720	$0	$0	$149,663	$13,495
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Grant Burge	1.0	$109,234	$19,826	$0	$0	$16,385	$145,445	$3,801
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		0.0	$14,292,545	$1,735,083	$0	$0	$0	$16,027,628	
Uncertificated Salaries & Wages		0.0	$3,581,565	$832,347	$0	$0	$0	$4,413,912	
TOTALS			$18,207,984	$2,626,919	$11,101	$0	$16,385	$20,862,389	

Note: Please refer to completion information on page 18

School Jurisdiction Code: 1085

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

GRANDE YELLOWHEAD REGIONAL DIVISION 35
Legal Name of School Jurisdiction

3656 - 1 AVE, EDSON, AB T7E 1S8
Mailing Address

780-723-4471(phone) and 780-723-2414 (fax)
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules GRANDE YELLOWHEAD REGIONAL DIVISION 35 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Ms. Shirley Mahon — "ORIGINAL SIGNED"
Name — Signature

SUPERINTENDENT

Dr. Dean Lindquist — "ORIGINAL SIGNED"
Name — Signature

SECRETARY TREASURER OR TREASURER

Alvin Johnston — "ORIGINAL SIGNED"
Name — Signature

6-Dec-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 1085

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Mergaert, Rathgeber & Barford
Chartered Accountants

AUDITORS' REPORT

To the Board of Trustees,
Grande Yellowhead Regional Division No. 35

We have audited the statement of financial position of the Grande Yellowhead Regional Division No. 35 as at August 31, 2006, and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006, and the results of its operations and changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Dated at Edson, Alberta, this 17th day of November, 2006.

Signed: Mergaert, Rathgeber + Barford Address: #201, 6823 - 4 Avenue
Firm: Mergaert, Rathgeber & Barford Edson, AB T7E 1S9
Accounting Designation: Chartered Accountants Telephone No.: (780) 723-4428
Fax No.: (780) 723-2343

School Jurisdiction Code: 1085

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$7,212,122	$8,169,065
Accounts receivable (net after allowances)		$968,449	$3,035,014
Prepaid expenses		$257,564	$336,877
Other current assets		$84,422	$70,770
Total current assets		$8,522,557	$11,611,726
School generated assets		$548,647	$492,674
Trust assets		$777,754	$805,061
Long term accounts receivable		$30,000	$33,750
Long term investments		$0	$0
Capital assets			
Land		$1,035,589	$1,035,589
Buildings	$53,880,194		
Less: accumulated amortization	($25,877,172)	$28,003,022	$28,782,817
Equipment	$11,789,497		
Less: accumulated amortization	($9,812,775)	$1,976,722	$2,620,936
Vehicles	$4,238,012		
Less: accumulated amortization	($1,950,885)	$2,287,127	$2,275,771
Total capital assets		$33,302,460	$34,715,113
TOTAL ASSETS		$43,181,418	$47,658,324
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$2,516,251	$5,021,009
Deferred revenue		$385,125	$1,021,740
Deferred capital allocations		$0	$363,892
Current portion of all long term debt		$754,493	$776,993
Total current liabilities		$3,655,869	$7,183,634
School generated liabilities		$548,647	$492,674
Trust liabilities		$777,754	$805,061
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$3,838,189	$4,615,181
	Less: Current portion of supported debt	($754,493)	($776,993)
Unsupported:	Debentures and Capital Loans	$0	$0
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$23,130,376	$23,033,476
Total long term liabilities		$27,540,473	$28,169,399
TOTAL LIABILITIES		$31,196,342	$35,353,033
NET ASSETS			
Unrestricted net assets		$848,679	$1,172,183
Operating Reserves		$4,374,875	$3,620,368
Accumulated Operating Surplus (Deficit)		$5,223,554	$4,792,551
Investment in capital assets		$6,333,893	$7,066,453
Capital Reserves		$427,629	$446,287
Total Capital Funds		$6,761,522	$7,512,740
Total net assets		$11,985,076	$12,305,291
TOTAL LIABILITIES AND NET ASSETS		$43,181,418	$47,658,324

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 1085

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$44,413,756	$42,584,104	$43,723,653
Federal Government and/or First Nations	$79,865	$16,000	$9,635
Other Alberta school authorities	$64,050	$132,583	$149,925
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$9,043	$0	$0
Instruction resource fees	$340,454	$325,941	$328,183
Transportation fees	$10,302	$28,000	$7,407
Other sales and services	$414,322	$152,500	$233,811
Investment income	$369,301	$150,000	$195,938
Gifts and donations	$16,347	$0	$14,359
Rentals of facilities	$46,464	$43,660	$50,938
Net school generated funds	$901,501	$325,000	$680,722
Gains on disposal of capital assets	$7,200	$0	$20,928
Amortization of capital allocations	$1,338,029	$1,137,962	$1,160,740
Total Revenues	$48,010,634	$44,895,750	$46,576,239
EXPENSES			
Certificated salaries	$22,783,089	$22,098,083	$22,127,596
Certificated benefits	$2,476,317	$2,242,932	$2,362,327
Uncertificated salaries and wages	$6,653,434	$6,556,791	$6,734,996
Uncertificated benefits	$2,329,877	$1,776,506	$2,256,676
Services, contracts and supplies	$10,182,931	$9,150,952	$9,039,656
Net school generated funds	$901,501	$325,000	$680,722
Capital and debt services			
Amortization of capital assets			
Supported	$1,338,029	$1,137,962	$1,160,740
Unsupported	$1,231,043	$1,140,206	$1,104,641
Total Amortization of capital assets	$2,569,072	$2,278,168	$2,265,381
Interest on capital debt			
Supported	$421,471	$467,318	$502,116
Unsupported	$0	$0	$0
Total Interest on capital debt	$421,471	$467,318	$502,116
Other interest charges	$3,236	$0	$982
Losses on disposal of capital assets	$9,921	$0	$0
Total Expenses	$48,330,849	$44,895,750	$45,970,452
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	($320,215)	$0	$605,787
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	($320,215)	$0	$605,787

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 1085

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	($320,215)	$605,787
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,338,029)	($1,160,740)
Total amortization expense	$2,569,072	$2,265,381
Gains on disposal of capital assets	($7,200)	($20,928)
Losses on disposal of capital assets	$9,921	$0
Changes in accrued accounts:		
Accounts receivable	$2,066,565	($1,596,826)
Prepaids and other current assets	$65,661	$43,525
Long term accounts receivable	$3,750	$3,750
Long term investments	$0	$0
Payables and accrued liabilities	($2,504,758)	$376,220
Deferred revenue	($636,615)	$450,880
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	($91,848)	$967,049
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($657,936)	($8,619,722)
Equipment	($136,666)	($445,650)
Vehicles	($374,438)	($398,542)
Net proceeds from disposal of capital assets	$9,900	$119,326
Other (describe)		$0
Total sources (uses) of cash from Investing activities	($1,159,140)	($9,344,588)
C. FINANCING ACTIVITIES		
Capital allocations	$294,044	$5,253,828
Issue of long term debt	$0	$0
Repayment of long term debt	($776,992)	($781,492)
Add back: supported portion	$776,993	$781,493
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$294,045	$5,253,829
Net sources (uses) of cash during year	($956,943)	($3,123,710)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$8,169,065	$11,292,775
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$7,212,122	$8,169,065

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 1085

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$12,305,291	$7,066,453	$1,172,183	$4,066,655	$3,016,823	$55,791	$258,438	$84,972	$170,795	$98,388	$174,312	$207,136	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$12,305,291	$7,066,453	$1,172,183	$4,066,655	$3,016,823	$55,791	$258,438	$84,972	$170,795	$98,388	$174,312	$207,136	$0	$0
Excess(def) of revenue over expenses	($320,215)		($320,215)											
Board funded capital transactions		$511,104	($13,467)	($497,637)	($51,384)	$0	($14,825)	($38,408)	$0	($56,990)	$0	($336,030)	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,569,072)	$2,569,072											
Amortization of capital allocations		$1,338,029	($1,338,029)											
Disposal of unsupported capital assets	$0	($12,621)	$5,421	$7,200		$0		$0		$0		$7,200		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($1,600,923)	$1,600,923	$910,510		$575,413		$10,000		$105,000		$0	
Net transfers from operating reserves			$780,207	($780,207)	($780,207)		$0		$0		$0		$0	
Net transfers to capital reserves			($405,570)	$405,570		$48,610		$35,101		$19,982		$301,877		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$11,985,076	$6,333,893	$848,679	$4,802,504	$3,095,742	$104,401	$819,026	$81,665	$180,795	$61,380	$279,312	$180,183	$0	$0

School Jurisdiction Code: 1085

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$363,892	$23,033,476
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$363,892	$23,033,476
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$0	
	Infrastructure & Transportation-School/Modular Project Capital *	$293,859	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources		
Interest earned on provincial government capital allocations		$185	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$776,993
Expended capital allocations - current year		($657,936)	$657,936
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$1,338,029
Balance at August 31, 2006		$0	$23,130,376

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* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

Grande Yellowhead Regional Division No. 35
Notes to the Financial Statement
For The Year Ended August 31, 2006

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1. **Authority and Purpose**

The Regional Division delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. **Summary of Significant Accounting Policies**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Education for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations that are amortized to revenue on the same basis as the capital assets acquired by the grant.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when they can be reasonably determined.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as a direct increase in the trust assets and liabilities in the period in which they are received or receivable.

b) Capital Assets

Capital assets are reflected in the accounts at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 10%
Equipment	10% to 20%
Vehicles	10% to 20%

No amortization is recorded in the year of acquisition. Full amortization is recorded in the year of disposal.

Only capital assets with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

2. **Summary of Significant Accounting Policies - continued**

c) School Generated Funds

These are funds that come under the control and responsibility of the school principal for school activities. These funds are usually collected, retained, and expended at the school level.

d) Inventories

Inventories are recorded at the lesser of cost and net realizable value.

e) Vacation Pay and Banked Overtime

Vacation pay and banked overtime are accrued in the period in which the employee earns the benefit.

f) Contributed Services

Volunteers contribute a considerable number of hours per year to various schools to ensure that certain programs are delivered. Because of the difficulty in determining the fair value of these contributed services and of the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

g) Pension Obligation

Pension costs in these statements comprise the cost of employer contributions for current service of employees during the year.

The school board participates in a multi-employer pension plan, Local Authorities Pension Plan and does not report on any unfunded liabilities. At December 31, 2005 the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000). The expense for this pension plan is equivalent to the annual employer contributions for current service of $416,859 for the year ended August 31, 2006.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Grande Yellowhead Regional Division 35 does not make pension contributions for certificated staff.

h) Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

i) Financial Instruments

The jurisdiction's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

j) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of Unrestricted Net Assets.

k) Employee Future Benefits

The jurisdiction has accounted for the future cost of employee benefits.

l) Investments

Short term investments are valued at the lower of cost or market.

3. **Cash and Temporary Investments**

	2006	2005
Cash in Bank	763,824	6,166,055
Petty Cash Trust	3,110	3,010
Term Deposits*	6,445,188	2,000,000
Total	**7,212,122**	**8,169,065**

Cash account earns interest on monthly balances at prime minus 2%.

Term Deposits

Principal	Interest Rate	Maturity Date
745,188	4.23%	October 31, 2006
3,000,000	4.24%	October 31, 2006
2,000,000	4.24%	October 31, 2006
500,000	4.24%	October 31, 2006
200,000	4.26%	November 30, 2006
6,445,188		

4. **Accounts Receivable**

	2006	2005
Alberta Education	75,996	14,756
Alberta Finance	225,502	272,047
Other Prov. of Alberta	91,543	75,323
AB Infrastructure	293,859	2,221,358
Federal Government	162,547	288,327
First Nations	0	0
AB Municipalities	0	0
Other AB School Jurisdictions	10,037	42,523
Other	108,965	120,680
Total	**968,449**	**3,035,014**

5. **Prepaid Expenses**

	2006	2005
Insurance	240	270
Expenses- School/Other	257,324	336,607
Total	**257,564**	**336,877**

6. **Other Current Assets**

	2006	2005
Inventory	84,302	70,650
A.M.F.C. Deposit	120	120
Total	**84,422**	**70,770**

7. **Trust Assets and Liabilities**

These balances represent cash that is held in trust by the jurisdiction.

	2006	2005
Carmichael Endowment Fund (Principal)	406,309	406,309
Carmichael Endowment Fund (Interest)	1,885	4,911
Scholarships	33,944	30,443
Deferred Salary Plan Contributions	137,337	93,287
Student Health Initiative Trust (Banker Board)	198,279	270,111
Total	**777,754**	**805,061**

The Carmichael Endowment Fund is held in trust as a scholarship fund for Harry Collinge High School. These funds are held as term certificates at the Royal Bank of Canada. The term deposits are as follows:

Principal	Interest Rate	Maturity Date
80,700	4.65%	September 29, 2006
2,767	4.65%	September 29, 2006
80,700	3.10%	September 29, 2006
80,700	4.05%	September 29, 2007
80,700	3.00%	September 29, 2009
80,742	2.94%	September 29, 2010

Other Scholarships have been established under Board Policy and are administered by Grande Yellowhead
The 'Deferred Salary Plan' contributions are held in trust at the T.D. – Canada Trust.

As the 'Banker' Board for Student Health Initiative Partnership, Grande Yellowhead holds the residual funds in trust.

8. **Bank Indebtedness**

The Board of Trustees established a Borrowing Resolution with ATB Financial, Edson for $1,250,000 with interest calculated and paid monthly at a rate of 1/4% below prime. The resolution is passed each fall for a one-year term. The line of credit is secured by a security agreement covering all revenue of the jurisdiction.

There was no balance outstanding on the line-of-credit at August 31, 2006. Included in the line-of-credit, Grande Yellowhead has a ATB Mastercard with a credit limit of $50,000, bearing interest to be calculated at prime + 2%.

9. **Accounts Payable and Accrued Liabilities**

	2006	2005
Alberta Education	68,508	222,149
Alberta Finance	225,502	272,047
Other Prov. of Alberta	122,051	87,174
AB Infrastructure	0	0
Federal Government	0	0
First Nations	0	0
AB Municipalities	6,864	1,422
Other AB School Jurisdictions	66,856	10,960
Other Trade Payables	2,026,470	4,427,257
Total	**2,516,251**	**5,021,009**

10. Deferred Revenue

	2006	2005
Infrastructure Maintenance Program	343,871	693,998
Operations and Maintenance Funding	0	68,000
Technology Grants (Alberta Education)	0	150,318
Alberta Initiative for School Improvement	0	63,876
Student Health Initiative (Infrastructure Funding)	29,712	29,712
Other	11,542	15,836
Total	**385,125**	**1,021,740**

11. Long-Term Debt

a) Debenture Debt - Supported

The debentures were acquired to finance buildings constructed by the jurisdiction. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. The debenture debt bears interest at rates varying between 7.5% and 12%. The debt matures over the period 2009 to 2015.

	2006			2005
	Total	Current Portion	Long-Term Portion	Long-Term Portion
Alberta Finance	**3,838,189**	754,493	3,083,696	4,615,181

Principal repayments required in each of the next five fiscal years are as follows:

2006-2007	754,493
2007-2008	754,493
2008-2009	754,493
2009-2010	613,302
2010-2011	453,727

b) Capital Leases – Unsupported

There is currently no capital lease held by the jurisdiction.

12. Deferred Capital Allocations

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these allocations are transferred to unamortized capital allocations.

13. Unamortized Capital Allocations

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

14. **Reserves**

Reserves represent funds allocated for future capital and operating expenditures. The reserves are established and expended in accordance with terms and conditions established by the Board of Trustees.

Operating Reserves	Balance Aug 31, 2005	Contributions During 2006	Utilized During 2006	Balance Aug. 31, 2006
Instruction – Other	1,342,089	109,000	(82,709)	1,368,380
Instruction – Technology	725,634	717,940	(207,371)	1,236,203
Schools	949,100	83,570	(541,510)	491,160
System Administration	170,795	10,000		180,795
Transportation	174,312	105,000		279,312
Operations & Maintenance	258,438	575,413	(14,825)	819,026
Total	**3,620,368**	**1,600,923**	**(846,415)**	**4,374,876**

Capital Reserves	Balance Aug 31, 2005	Contributions During 2006	Utilized During 2006	Balance Aug. 31, 2006
Equipment	98,387	19,982	(56,990)	61,379
Vehicles	347,900	392,788	(374,438)	366,250
Total	**446,287**	**412,770**	**(431,428)**	**427,629**
Total operating and capital reserves	**4,066,655**	**2,013,693**	**(1,277,843)**	**4,802,505**

15. **Accrued Professional Improvement leave**

This leave is paid out during a period of professional leave taken by the employee. The remaining amount is to be paid out to the employee upon their leaving employment with the jurisdiction.

16. **Related Party Transactions**

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta

	Balances		Transactions	
2005-2006	**Assets**	**Liabilities**	**Revenues**	**Expenses**
Government of Alberta				
Alberta Education	75,996	68,508	43,327,486	0
Infrastructure & Transportation	293,859	0	350,127	0
Alberta Finance	225,502	225,502	421,471	421,471
Health & Wellness	0	0	282,016	0
Human Resources/Employment	0	0	0	0
Other Gov't Departments	91,543	0	313,212	185,867
Other				
Health Authorities	0	122,051	0	0
Post-secondary Institutions	0	0	0	0
Other AB School Jurisdiction	10,037	66,856	64,050	98,627
Total 2005-2006	**696,937**	**482,917**	**44,504,552**	**705,965**

17. Budget Amounts

The budget was prepared by the school jurisdiction and the Board of Trustees gave approval on June 20, 2005. It is presented for information only and has not been audited.

18. Comparative Figures

The Budget 2006 and Actual 2005 comparative figures have been reclassified where necessary to conform to Actual 2006 presentation.

19. Commitments

a) Copier Lease - Ikon

The jurisdiction is committed to the annual lease on copiers with IKON Capital

Lease No.	Start Date	Expiry Date	Annual payment
101-0402189-105	October, 2002	October, 2007	59,373

In September 2004, all Canon copiers under these leases were replaced by Xerox models. The lease payments are being made when due, and Grande Yellowhead is retaining possession of the copier until such time as the lease expires.

b) Copier Lease - Xerox

Xerox and Grande Yellowhead entered into a five year agreement for a "Total Document Solution". The agreement covers the annual lease for equipment and software for electronic document management.

Yr. 3	2006-2007	Annual Base Payment	309,762
Yr. 4	2007-2008	Annual Base Payment	309,762
Yr. 5	2008-2009	Annual Base Payment	309,762

20. Asset Retirement Obligations

Asset Retirement Obligations represent legal obligations associated with the retirement of a tangible long-lived asset that result from its acquisition, construction, development or normal operations. A legal liability exists when the purchase, sale or transfer agreement states that it does, or when there is legislation relating to an obligation to take action when a property is retired.

Grande Yellowhead believes that there is no significant risk with respect to any property held and therefore no liability has been established.

21. Economic Dependence on Related Third Party

Grande Yellowhead Regional Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

SCHEDULE A to the AFS

School Jurisdiction Cod 1085

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	$43,609,502	$33,529,977	$4,843,912	$3,371,848	$1,804,046	$59,719
(2) Alberta Infrastructure & Transportation	$350,127	$0	$350,127			
(3) Alberta Finance	$421,471		$421,471			$0
(4) Other - Government of Alberta	$32,656	$32,656	$0	$0	$0	$0
(5) Federal Government and/or First Nations	$79,865	$79,865	$0	$0	$0	$0
(6) Other Alberta school authorities	$64,050	$4,050	$0	$0	$0	$60,000
(7) Out of province authorities	$0	$0	$0	$0	$0	$0
(8) Alberta municipalities (excl. supplementary requisitions)	$9,043	$9,043	$0	$0	$0	$0
(9) Instruction resource fees	$340,454	$340,454				
(10) Transportation fees	$10,302			$10,302		
(11) Other sales and services	$414,322	$199,738	$0	$950	$129,234	$84,400
(12) Investment income	$369,301	$286,575	$43,004	$25,620	$14,102	$0
(13) Gifts and donations	$16,347	$16,047	$300	$0		$0
(14) Rentals of facilities	$46,464	$0	$45,064	$1,400	$0	$0
(15) Net school generated funds	$901,501	$901,501			$0	
(16) Gains on disposal of capital assets	$7,200	$0	$0	$7,200	$0	$0
(17) Amortization of capital allocations	$1,338,029	$35,313	$1,302,716	$0		$0
(18) TOTAL REVENUES	$48,010,634	$35,435,219	$7,006,594	$3,417,320	$1,947,382	$204,119
EXPENSES						
(19) Certificated salaries	$22,783,089	$22,383,438			$399,651	$0
(20) Certificated benefits	$2,476,317	$2,447,363			$28,954	$0
(21) Uncertificated salaries and wages	$6,653,434	$4,488,540	$724,202	$921,521	$519,171	$0
(22) Uncertificated benefits	$2,329,877	$1,813,872	$164,180	$230,226	$121,599	$0
(23) SUB - TOTAL	$34,242,717	$31,133,213	$888,382	$1,151,747	$1,069,375	$0
(24) Services, contracts & supplies	$10,182,931	$3,568,648	$3,800,655	$1,931,717	$677,792	$204,119
(25) Cost recoveries between programs	$0	$123,024	($61,500)	($88,024)	$26,500	$0
(26) Net school generated funds	$901,501	$901,501				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,338,029	$35,313	$1,302,716	$0	$0	$0
(28) Unsupported	$1,231,043	$731,107	$177,094	$302,860	$19,982	$0
(29) Total Amortization	$2,569,072	$766,420	$1,479,810	$302,860	$19,982	$0
Interest on capital debt						
(30) Supported	$421,471	$0	$421,471	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$3,236	$433	$1,878	$303	$622	$0
(33) Losses on disposal of capital assets	$9,921	$0	$219	$0	$9,702	$0
(34) TOTAL EXPENSES	$48,330,849	$36,493,239	$6,530,915	$3,298,603	$1,803,973	$204,119
(35) EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM	($320,215)	($1,058,020)	$475,679	$118,717	$143,409	$0

School Jurisdiction Code: 1085

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,073,568
Base Instruction (Gr 1-12)	$24,530,812
Outreach Programs	$156,060
Home Education	$10,176
Differential Cost Funding *	$14,913,583
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$45,938
Provincial Priority Targeted Funding	
Class Size Initiative	$1,080,973
Student Health Initiative (SHI)	$222,297
Alberta Initiative for School Improvement (AISI)	$716,501
High Speed Networking	$254,536
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$402,465
Other Alberta Education Revenues (describe): WHSIP Administration and Technology Research Grants	$202,593
Total Alberta Education Revenues	$43,609,502

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 1085

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$2,513,160	$1,553,389	$661,839		$0	$24,408	$4,752,796
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$0	$409,777	$51,167		$0		$460,944
ECS Program Unit (PUF)	$75,574	$571,629	$100,400		$0		$747,603
Severe Disabilities (Gr 1-12)	$62,344	$2,881,875	$185,755		$0		$3,129,974
English as a Second Language	$0	$17,063	$0		$0		$17,063
French Language Program & Francisation (all jurisdictions)	$0	$13,483	$18,216		$0		$31,699
First Nations, Metis and Inuit Education (ECS - Gr 12)	$105,491	$140,432	$87,073		$0		$332,996
Home Education	$0	$6,523	$24,216		$0		$30,739
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$671,294	$0	$42,940	$2,267	$0		$716,501
Student Health Initiative	$8,306	$117,226	$96,765		$0		$222,297
High Speed Networking			$263,084		$0		$263,084
Class Size	$1,080,973	$0	$0	$0	$0		$1,080,973
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$20,313,659	$591,015	$1,349,034	$685,893	$123,024	$1,643,945	$24,706,570
TOTAL EXPENSES	$24,830,801	$6,302,412	$2,880,489	$688,160	$123,024	$1,668,353	$36,493,239

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.0	7.3
ECS Program Unit (PUF)	0.9	12.5
Severe Disabilities (Gr 1-12)	0.8	61.5

Note:

1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on seperately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 1085

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		$48,330,849
STEP 1		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		4.58%
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE. EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%. Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 2		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,213,553
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	4,845	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		$2,213,553
Less: 2005/2006 Board and System Administration expenses		-$1,803,973
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$409,580

School Jurisdiction Code: 1085

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$492,674
Source of Net School Generated Funds:				
Fundraising activities	$711,811	$441,555	$270,256	
Student fees (Non-Instructional) (Note 2)	$415,852	$0	$415,852	
Donations and grants to schools	$257,505	$0	$257,505	
Other (describe): cost recoveries, interest earned	$19,019	$5,158	$13,861	
Net Additions to SGF	$1,404,187	$446,713		$957,474
Net SGF Available for Spending				$1,450,148
Application of Net School Generated Funds:				
Extra-curricular activities			$569,453	
School site beautification			$6,098	
Field Trips			$247,165	
Equipment			$53,253	
Family literacy and other community resources			$0	
Other (describe): staff recogniton, donations to charities			$25,532	
Net SGF Expended (Note 3)				$901,501
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$548,647

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1085

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$438,191	$113,462	$0	$172,549	$724,202		$724,202
Uncertificated benefits	$0	$100,850	$24,748	$0	$38,582	$164,180		$164,180
Sub-total Remuneration	$0	$539,041	$138,210	$0	$211,131	$888,382		$888,382
Contracted Services	$1,215,985	$225,076	$0	$640,375	$61,047	$2,142,483		$2,142,483
Supplies	$664	$85,892	$82,282	$108,403	$47,949	$325,190		$325,190
Electricity			$621,681			$621,681		$621,681
Natural Gas/Heating Fuel			$480,353			$480,353		$480,353
Sewer and Water			$117,324			$117,324		$117,324
Telecommunications			$21,797			$21,797		$21,797
Insurance					$91,827	$91,827		$91,827
Amortization of capital assets								
Supported							$1,302,716	$1,302,716
Unsupported						$177,094		$177,094
Total Amortization						$177,094	$1,302,716	$1,479,810
Interest on capital debt								
Supported							$421,471	$421,471
Unsupported				$0		$0		$0
Other interest charges						$1,878		$1,878
Losses on disposal of capital assets						$219		$219
Cost recoveries between programs						($61,500)		($61,500)
TOTAL EXPENSES	$1,216,649	$850,009	$1,461,647	$748,778	$411,954	$4,806,728	$1,724,187	$6,530,915
SQUARE METRES								
School Buildings								75,428.0
Non School Buildings								2,694.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 1085

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200(
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Mahon, Shirley	1.0	$19,850	$3,771	$0			$23,621	$10,988
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Akers, Lynda	1.0	$20,926	$4,920	$0			$25,846	$14,314
Name	Caputo, Shirley	1.0	$13,392	$1,694	$0			$15,086	$5,693
Name	Howell, Cheryl	0.4	$5,781	$1,514	$0			$7,295	$4,683
Name	Krewusik, Robert	1.0	$14,235	$3,407	$0			$17,642	$19,527
Name	Stitzenberger, John	1.0	$10,989	$4,599	$0			$15,588	$14,016
Name	Wall, Gilbert	1.0	$16,153	$4,439	$0			$20,592	$2,240
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*6.4*	*$101,326*	*$24,344*	*$0*			*$125,670*	*$71,461*
Superintendent	Lindquist, Dean	1.0	$130,462	$10,189	$0	$0	$0	$140,651	$19,333
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Johnston, Alvin	1.0	$105,711	$9,955	$0	$0	$0	$115,666	$4,345
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		303.1	$22,174,007	$2,456,173	$0	$0	$372,909	$25,003,089	
Uncertificated Salaries & Wages		181.3	$6,552,108	$2,305,533	$0	$0	$0	$8,857,641	
TOTALS			**$29,063,614**	**$4,806,194**	**$0**	**$0**	**$372,909**	**$34,242,717**	

Note: Please refer to completion information on page 15

Trustee Howeel was disqualified from her trusteeship January

School Jurisdiction Code: 2045

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

GRASSLANDS REGIONAL DIVISION NO. 6
Legal Name of School Jurisdiction

745 2ND AVE. E., BROOKS, AB T1R 1L2
Mailing Address

403-793-6700 403 - 362-8225
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules GRASSLANDS REGIONAL DIVISION NO. 6 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Gordon Krinke	"ORIGINAL SIGNED"
Name	**Signature**

SUPERINTENDENT

Duncan Gillespie	"ORIGINAL SIGNED"
Name	**Signature**

SECRETARY TREASURER OR TREASURER

LeeAnn Woods	"ORIGINAL SIGNED"
Name	**Signature**

27-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 2045

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Young Parkyn McNab LLP
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Board of Trustees of the
Grasslands Regional Division No. 6

We have audited the statement of financial position of the Grasslands Regional Division No. 6 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations and its cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Young Parkyn McNab LLP

Lethbridge, Alberta

November 16, 2006

Chartered Accountants

LETHBRIDGE • FORT MACLEOD • CLARESHOLM • TABER • MILK RIVER • *PINCHER CREEK
* Denotes Part-Time Office

School Jurisdiction Code: 2045

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$7,548,163	$5,745,788
Accounts receivable (net after allowances)		$643,484	$1,198,651
Prepaid expenses		$8,940	$58,112
Other current assets		$81,493	$101,794
Total current assets		$8,282,080	$7,104,345
School generated assets		$491,742	$497,777
Trust assets		$214,411	$469,604
Long term accounts receivable			$0
Long term investments		$0	$0
Capital assets			
Land		$488,355	$488,355
Buildings	$31,319,516		
Less: accumulated amortization	($17,884,120)	$13,435,396	$12,704,347
Equipment	$1,021,880		
Less: accumulated amortization	($649,118)	$372,762	$452,958
Vehicles	$3,490,749		
Less: accumulated amortization	($1,883,055)	$1,607,694	$1,610,850
Total capital assets		$15,904,207	$15,256,510
TOTAL ASSETS		$24,892,440	$23,328,236
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$2,406,402	$2,230,308
Deferred revenue		$354,359	$604,569
Deferred capital allocations		$571,789	$249,437
Current portion of all long term debt		$568,337	$606,675
Total current liabilities		$3,900,887	$3,690,989
School generated liabilities		$491,742	$497,777
Trust liabilities		$214,411	$469,604
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$5,741,060	$6,347,736
Less: Current portion of supported debt		($568,337)	($606,675)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$6,620,316	$5,217,433
Total long term liabilities		$12,499,192	$11,925,875
TOTAL LIABILITIES		$16,400,079	$15,616,864
NET ASSETS			
Unrestricted net assets		$1,582,007	$1,259,215
Operating Reserves		$3,182,297	$2,576,590
Accumulated Operating Surplus (Deficit)		$4,764,304	$3,835,805
Investment in capital assets		$3,542,829	$3,691,339
Capital Reserves		$185,228	$184,228
Total Capital Funds		$3,728,057	$3,875,567
Total net assets		$8,492,361	$7,711,372
TOTAL LIABILITIES AND NET ASSETS		$24,892,440	$23,328,236

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements

School Jurisdiction Code: 2045

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$30,205,249	$29,754,449	$29,724,443
Federal Government and/or First Nations	$612,957	$652,752	$819,214
Other Alberta school authorities	$17,600	$20,079	$111,823
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$8,052	$8,000	$8,051
Instruction resource fees	$278,463	$269,719	$300,229
Transportation fees	$0	$0	$0
Other sales and services	$220,930	$124,988	$146,876
Investment income	$268,293	$158,000	$158,342
Gifts and donations	$36,939	$0	$17,127
Rentals of facilities	$73,088	$78,950	$91,794
Net school generated funds	$643,053	$316,005	$627,707
Gains on disposal of capital assets	$0	$4,008	$9,233
Amortization of capital allocations	$853,492	$853,482	$853,492
Total Revenues	$33,218,116	$32,240,432	$32,868,331
EXPENSES			
Certificated salaries	$15,647,053	$15,498,788	$15,948,669
Certificated benefits	$1,636,208	$1,741,462	$1,577,385
Uncertificated salaries and wages	$5,975,632	$6,249,935	$6,029,137
Uncertificated benefits	$1,098,752	$1,161,152	$1,023,569
Services, contracts and supplies	$5,598,427	$5,417,077	$5,331,472
Net school generated funds	$643,053	$316,005	$627,707
Capital and debt services			
Amortization of capital assets			
Supported	$853,492	$853,492	$853,492
Unsupported	$395,594	$379,630	$378,388
Total Amortization of capital assets	$1,249,086	$1,233,122	$1,231,880
Interest on capital debt			
Supported	$568,571	$681,230	$624,901
Unsupported	$0	$0	$0
Total Interest on capital debt	$568,571	$681,230	$624,901
Other interest charges	$0	$3,000	$0
Losses on disposal of capital assets	$20,345	$0	$278
Total Expenses	$32,437,127	$32,301,771	$32,394,998
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$780,989	($61,339)	$473,333
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$780,989	($61,339)	$473,333

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 2045

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$780,989	$473,333
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($853,492)	($853,492)
Total amortization expense	$1,249,086	$1,231,880
Gains on disposal of capital assets	$0	($9,233)
Losses on disposal of capital assets	$20,345	$278
Changes in accrued accounts:		
Accounts receivable	$555,167	$285,507
Prepaids and other current assets	$69,473	($18,900)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$176,094	$404,982
Deferred revenue	($250,210)	($284,816)
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$1,747,452	$1,229,539
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($1,649,699)	$0
Equipment	($58,776)	($128,275)
Vehicles	($209,653)	($350,122)
Net proceeds from disposal of capital assets	$1,000	$15,243
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($1,917,128)	($463,154)
C. FINANCING ACTIVITIES		
Capital allocations	$1,972,052	$5,494
Issue of long term debt	$0	$0
Repayment of long term debt	($606,676)	($606,675)
Add back: supported portion	$606,675	$606,675
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$1,972,051	$5,494
Net sources (uses) of cash during year	$1,802,375	$771,879
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$5,745,788	$4,973,909
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$7,548,163	$5,745,788

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 2045

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$7,711,372	$3,691,339	$1,259,215	$2,760,818	$2,003,987	$0	$41,851	$0	$341,612	$892	$189,140	$183,336	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$7,711,372	$3,691,339	$1,259,215	$2,760,818	$2,003,987	$0	$41,851	$0	$341,612	$892	$189,140	$183,336	$0	$0
Excess(def) of revenue over expenses	$780,989		$780,989											
Board funded capital transactions		$268,429	($268,429)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,249,086)	$1,249,086											
Amortization of capital allocations		$853,492	($853,492)											
Disposal of unsupported capital assets	$0	($21,345)	$20,345	$1,000		$0		$0		$0		$1,000		$0
Disposal of supported capital assets (board funded portion)	$0	$0		$0		$0		$0		$0				$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($622,738)	$622,738	$179,659		$194,465				$248,614		$0	
Net transfers from operating reserves			$17,031	($17,031)	$0		$0		($17,031)		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$8,492,361	$3,542,829	$1,582,007	$3,367,525	$2,183,646	$0	$236,316	$0	$324,581	$892	$437,754	$184,336	$0	$0

School Jurisdiction Code: 2045

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$249,437	$5,217,433
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$249,437	$5,217,433
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$1,950,183	
	Infrastructure & Transportation-School/Modular Project Capital *	$0	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		$21,869	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$606,675
Expended capital allocations - current year		($1,649,700)	$1,649,700
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$853,492
Balance at August 31, 2006		$571,789	$6,620,316

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Authority and purpose

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue recognition
Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

b) Temporary investments
Temporary investments are valued at cost. Accrued interest is recorded as it is earned.

c) Prepaid expenses
Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

d) Inventory
Inventory is recorded at the lower of cost and net realizable value. Cost is determined on the basis of the most recent invoice.

2. Summary of significant accounting policies (continued)

e) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided for on a straight-line basis over the assets' estimated useful lives using the following annual rates:

Buildings	25 to 40 years
Equipment and furnishings	5 to 10 years
Vehicles and buses	10 to 13 years

There is no amortization charged in the year of acquisition.

Only capital assets with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

f) School generated funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (eg. yearbook sales, graduation fees, field trip fees, etc.).

g) Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

h) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Grasslands School Division does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of $189,830 for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

i) Contributed services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

j) Financial instruments

The School Division's financial instruments consist of cash and temporary investments, accounts receivable, trust assets, accounts payable, accrued liabilities, trust liabilities and long-term debt. It is management's opinion that the School Division is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The School Division has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

2. Summary of significant accounting policies (continued)

k) Operating and capital reserves
Reserves are established at the discretion of the Board of Trustees of the School Division, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

3. Temporary investments

Temporary investments consist of a $500,000 term deposit with Chinook Credit Union Ltd. which bears interest $2.098% and matures September 6, 2007.

4. Accounts receivable

		2006	2005
Province of Alberta	$	342,016 $	669,684
Federal Government		256,579	481,231
Other		43,571	47,736
	$	643,484 $	1,198,651

5. Bank indebtedness

The School Division has negotiated a line of credit in the amount of $2,000,000 that bears interest at the bank prime rate minus .25%. This line of credit is secured by a borrowing bylaw and a promissory note. There was no balance outstanding on the line of credit at August 31, 2006.

6. Deferred revenue

		2006	2005
Infrastructure maintenance program – carry forward from prior year	$	124,775 $	-
One-time funding technology grant		7,903	53,491
Alberta initiative for school improvement		42,270	108,430
Infrastructure maintenance program		142,932	427,238
Other		36,479	15,410
	$	354,359 $	604,569

7. Deferred capital allocations

Capital allocations received for qualifying capital projects initiated by the School Division are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations which are amortized on a basis consistent with the capital asset that the allocation funded.

8. Trust assets and liabilities

These balances represent cash that is held in trust by the School Division for the following areas:

	2006	2005
Scholarship trusts	$ 214,411	$ 214,690
Student health initiative trust (SHI Banker Board)	-	254,914
	$ 214,411	$ 469,604

9. Long-term debt

Debenture debt - supported
The debenture debt bears interest at rates varying between 7.625% and 10.750%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2006-2007	$ 568,337	$ 512,242	$ 1,080,579
2007-2008	489,192	460,262	949,454
2008-2009	476,327	416,008	892,335
2009-2010	429,775	372,913	802,688
2010-2011	429,775	334,822	764,597
2011 to maturity	3,347,654	1,046,731	4,394,385
	$ 5,741,060	$ 3,142,978	$ 8,884,038

10. Unamortized capital allocations

Unamortized capital allocations (UCA) represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debenture capital funds, as the principal is repaid.

11. Related party transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. Grasslands Regional Division No. 6 had related party transactions for the year ended August 31, 2006 with the Government of Alberta recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at amount of consideration agreed upon between the related parties.

	Balances		**Transactions**	
2005-2006	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta:				
Education	$ 0	$ 42,270	$ 29,142,519	$ 0
Infrastructure & Transportation	5,141	275,610	403,376	0
Finance	0	0	1,422,063	0
Health & Wellness	0	0	0	0
Human Resources/Employment	0	0	4,800	0
Other Gov't of Alberta departments	336,875	336,875	85,983	0
Other:				
Health authorities	0	0	0	0
Post-secondary institutions	0	0	0	0
Other Alberta school jurisdictions	0	0	17,600	0
Other related parties	0	0	0	0
TOTAL 2005-2006	$ 342,016	$ 654,755	$ 31,076,341	$ 0
TOTAL 2004-2005	$ 669,684	$ 964,172	$ 30,689,759	$ 0

12. Economic dependence on related third party

The Grasslands School Division's primary source of income is from the Alberta Government. The School Division's ability to continue viable operations is dependent on this funding.

13. Budget amounts

The budget was prepared by the School Division management with Board of Trustees approval. It is presented for information purposes only and has not been audited.

14. Comparative figures

The Budget 2006 and Actual 2005 comparative figures have been reclassified where necessary to conform to Actual 2006 presentation.

15. Subsequent events

Subsequent to year end $636,000 was spent to complete the construction of Griffin Park School. The combined estimated costs to complete both Bassano and Duchess Schools are estimated at $16 million.

SCHEDULE A to the AFS

School Jurisdiction Cod 2045

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$29,142,519	$22,892,307	$2,822,449	$2,049,434	$1,378,329	$0
(2) **Alberta Infrastructure & Transportation**	$403,376	$0	$403,376			
(3) **Alberta Finance**	$568,571		$568,571			$0
(4) **Other - Government of Alberta**	$90,783	$84,753	$4,800	$1,230	$0	$0
(5) **Federal Government and/or First Nations**	$612,957	$575,680	$0	$7,115	$30,162	$0
(6) **Other Alberta school authorities**	$17,600	$17,600	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$8,052	$5,802	$2,250	$0	$0	$0
(9) **Instruction resource fees**	$278,463	$278,463				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$220,930	$173,295	$3,034	$7,855	$36,746	$0
(12) **Investment income**	$268,293	$245,293	$0	$0	$23,000	$0
(13) **Gifts and donations**	$36,939	$36,939	$0	$0		$0
(14) **Rentals of facilities**	$73,088	$1,544	$71,544	$0	$0	$0
(15) **Net school generated funds**	$643,053	$643,053			$0	
(16) **Gains on disposal of capital assets**	$0		$0	$0	$0	$0
(17) **Amortization of capital allocations**	$853,492		$853,492	$0		$0
(18) **TOTAL REVENUES**	$33,218,116	$24,954,729	$4,729,516	$2,065,634	$1,468,237	$0
EXPENSES						
(19) **Certificated salaries**	$15,647,053	$15,188,029			$459,024	$0
(20) **Certificated benefits**	$1,636,208	$1,602,948			$33,260	$0
(21) **Uncertificated salaries and wages**	$5,975,632	$3,493,546	$1,180,863	$806,030	$495,193	$0
(22) **Uncertificated benefits**	$1,098,752	$620,711	$244,482	$94,876	$138,683	$0
(23) **SUB - TOTAL**	$24,357,645	$20,905,234	$1,425,345	$900,906	$1,126,160	$0
(24) **Services, contracts & supplies**	$5,598,427	$2,813,348	$1,709,280	$735,503	$340,296	$0
(25) **Cost recoveries between programs**	$0	$53,755	($27,198)	($26,557)	$0	$0
(26) **Net school generated funds**	$643,053	$643,053				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$853,492	$0	$853,492	$0	$0	$0
(28) Unsupported	$395,594	$95,549	$73,638	$205,517	$20,890	$0
(29) Total Amortization	$1,249,086	$95,549	$927,130	$205,517	$20,890	$0
Interest on capital debt						
(30) Supported	$568,571	$0	$568,571	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$20,345	$17,769	$0	$2,576	$0	$0
(34) **TOTAL EXPENSES**	$32,437,127	$24,528,708	$4,603,128	$1,817,945	$1,487,346	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$780,989	$426,021	$126,388	$247,689	($19,109)	$0

School Jurisdiction Code: 2045

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$768,674
Base Instruction (Gr 1-12)	$16,178,240
Outreach Programs	$104,040
Home Education	$0
Differential Cost Funding *	$10,477,359
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$32,396
Provincial Priority Targeted Funding	
Class Size Initiative	$686,485
Student Health Initiative (SHI)	$273,440
Alberta Initiative for School Improvement (AISI)	$485,645
High Speed Networking	$90,652
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	
Other Alberta Education Revenues (describe): Video Conferencing -45588	$45,588
Total Alberta Education Revenues	$29,142,519

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 2045

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,430,693	$948,882	$412,136		$0	$0	$2,791,711
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$717,219	$456,914	$56,993		$0		$1,231,126
ECS Program Unit (PUF)	$32,300	$414,152	$223,798		$0		$670,250
Severe Disabilities (Gr 1-12)	$795,734	$1,219,242	$73,148		$0		$2,088,124
English as a Second Language	$133,972	$192,435	$3,698		$0		$330,105
French Language Program & Francisation (all jurisdictions)	$0	$0	$200		$0		$200
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$14,207	$3,011		$0		$17,218
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$211,896	$162,329	$136,006	$0	$0		$510,231
Student Health Initiative	$0	$25,358	$248,083		$0		$273,441
High Speed Networking			$114,983		$0		$114,983
Class Size	$588,401	$0	$0	$0	$50,000		$638,401
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$12,880,762	$680,738	$836,798	$704,494	$3,755	$737,978	$15,862,918
TOTAL EXPENSES	$16,790,977	$4,114,257	$2,108,854	$704,494	$53,755	$737,978	$24,528,708

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	9.2	25.5
ECS Program Unit (PUF)	0.4	20.3
Severe Disabilities (Gr 1-12)	10.3	65.3

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 2045

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES			**$32,437,127**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**5.27%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,709,437
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,709,437**
Less: 2005/2006 Board and System Administration expenses		-$1,487,346
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$222,091

School Jurisdiction Code: 2045

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$497,777
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$1,461,847	$929,980	$531,867	
Student fees (Non-Instructional) (Note 2)	$0	$0	$0	
Donations and grants to schools	$105,151	$0	$105,151	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$1,566,998	$929,980		$637,018
Net SGF Available for Spending				$1,134,795
Application of Net School Generated Funds:				
Extra-curricular activities			$257,221	
School site beautification			$0	
Field Trips			$385,832	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe):			$0	
Net SGF Expended (Note 3)				$643,053
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$491,742

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 2045

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$753,400	$308,517	$0	$0	$118,946	$1,180,863		$1,180,863
Uncertificated benefits	$150,755	$70,020	$0	$0	$23,707	$244,482		$244,482
Sub-total Remuneration	$904,155	$378,537	$0	$0	$142,653	$1,425,345		$1,425,345
Contracted Services	$0	$0	$0	$358,395	$0	$358,395		$358,395
Supplies	$97,313	$357,561	$0	$44,980	$9,450	$509,304		$509,304
Electricity			$365,553			$365,553		$365,553
Natural Gas/Heating Fuel			$280,960			$280,960		$280,960
Sewer and Water			$40,810			$40,810		$40,810
Telecommunications			$11,433			$11,433		$11,433
Insurance					$142,825	$142,825		$142,825
Amortization of capital assets								
Supported							$853,492	$853,492
Unsupported						$73,638		$73,638
Total Amortization						$73,638	$853,492	$927,130
Interest on capital debt								
Supported							$568,571	$568,571
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						($27,198)		($27,198)
TOTAL EXPENSES	$1,001,468	$736,098	$698,756	$403,375	$294,928	$3,181,065	$1,422,063	$4,603,128
SQUARE METRES								
School Buildings								46,098.0
Non School Buildings								3,786.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 2045

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Gordon Krinke	1.0	$11,736	$4,989	$0			$16,725	$5,277
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Jo-Lee Godfrey	1.0	$13,123	$3,605	$0			$16,728	$6,606
Name	Lee Pickett	1.0	$6,820	$4,211	$0			$11,031	$791
Name	Shaun Roth	1.0	$8,833	$4,874	$0			$13,707	$38
Name	Max Tateson	1.0	$7,582	$3,636	$0			$11,218	$471
Name	Inge Ellefson	1.0	$11,924	$4,883	$0			$16,807	$1,716
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*6.0*	*$60,018*	*$26,198*	*$0*			*$86,216*	*$14,899*
Superintendent	Cal Cosh	1.0	$126,420	$10,150	$0	$0	$30,750	$167,320	$16,349
Superintendent	Duncan Gillespie	0.1	$7,500	$500	$0	$0	$0	$8,000	$1,494
Secretary/Treasurer	Lee Ann Woods	1.0	$104,820	$18,840	$0	$0	$0	$123,660	$9,014
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		210.0	$15,482,383	$1,625,558	$0	$0	$0	$17,107,941	
Uncertificated Salaries & Wages		267.3	$5,810,794	$1,053,714	$0	$0	$0	$6,864,508	
TOTALS			**$21,591,935**	**$2,734,960**	**$0**	**$0**	**$30,750**	**$24,357,645**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 8040

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

The Greater North Central Francophone Education Region No. 2

Legal Name of School Jurisdiction

301, 8627 - 91 Street, Edmonton, Alberta, T6C 3N1

Mailing Address

Telephone: (780) 468-6440 and Fax: (780) 440-1631

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules The Greater North Central Francophone Education Region No. 2 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Claude Duret	**"ORIGINAL SIGNED"**
Name	**Signature**

SUPERINTENDENT

Henri Lemire	**"ORIGINAL SIGNED"**
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Robert Nantel	**"ORIGINAL SIGNED"**
Name	**Signature**

13-Feb-07

Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 8040

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Auditors' Report

To the Board of Trustees,
The Greater North Central Francophone
Education Region No. 2

We have audited the statement of financial position of **The Greater North Central Francophone Education Region No. 2** as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

King + Company

Edmonton, AB
October 27, 2006, exept as to Note 17
which is as of April 17, 2007

KING & COMPANY,
Chartered Accountants

School Jurisdiction Code: 8040

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$2,556,567	$2,617,805
Accounts receivable (net after allowances)		$1,697,856	$1,145,575
Prepaid expenses		$272,500	$176,825
Other current assets		$0	$0
Total current assets		$4,526,923	$3,940,205
School generated assets		$251,652	$270,826
Trust assets		$47,726	$55,846
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$5,624,000	$3,884,000
Buildings	$28,222,860		
Less: accumulated amortization	($10,181,453)	$18,041,407	$17,961,239
Equipment	$2,057,890		
Less: accumulated amortization	($1,454,683)	$603,207	$859,991
Vehicles	$72,555		
Less: accumulated amortization	($36,922)	$35,633	$44,541
Total capital assets		$24,304,247	$22,749,771
TOTAL ASSETS		$29,130,548	$27,016,648
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$1,289,209	$487,616
Deferred revenue		$345,189	$805,198
Deferred capital allocations		$0	$20,975
Current portion of all long term debt		$14,829	$14,829
Total current liabilities		$1,649,227	$1,328,618
School generated liabilities		$251,652	$270,826
Trust liabilities		$47,726	$55,846
Employee future benefits liability		$131,000	$94,000
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$59,206	$74,035
Less: Current portion of supported debt		($14,829)	($14,829)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$17,894,427	$18,363,793
Total long term liabilities		$18,369,182	$18,843,671
TOTAL LIABILITIES		$20,018,409	$20,172,289
NET ASSETS			
Unrestricted net assets		$2,444,647	$2,187,537
Operating Reserves		$146,878	$174,879
Accumulated Operating Surplus (Deficit)		$2,591,525	$2,362,416
Investment in capital assets		$6,350,614	$4,311,943
Capital Reserves		$170,000	$170,000
Total Capital Funds		$6,520,614	$4,481,943
Total net assets		$9,112,139	$6,844,359
TOTAL LIABILITIES AND NET ASSETS		$29,130,548	$27,016,648

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 8040

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$22,415,302	$21,226,633	$18,461,553
Federal Government and/or First Nations	$993,924	$714,729	$809,825
Other Alberta school authorities	$210,553	$158,095	$123,051
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$3,967	$0	$4,364
Instruction resource fees	$165,617	$170,000	$212,626
Transportation fees	$0	$0	$0
Other sales and services	$38,499	$40,000	$61,809
Investment income	$137,479	$105,000	$69,965
Gifts and donations	$2,280	$2,500	$19,261
Rentals of facilities	$18,766	$22,210	$22,378
Net school generated funds	$496,620	$294,000	$388,823
Gains on disposal of capital assets	$11,150	$0	$0
Amortization of capital allocations	$1,320,238	$1,307,722	$1,307,723
Total Revenues	$25,814,395	$24,040,889	$21,481,378
EXPENSES			
Certificated salaries	$9,950,400	$9,975,401	$8,858,218
Certificated benefits	$1,137,606	$1,102,527	$914,697
Uncertificated salaries and wages	$2,950,919	$2,799,386	$2,541,135
Uncertificated benefits	$544,658	$609,598	$444,862
Services, contracts and supplies	$8,748,393	$8,201,667	$6,991,046
Net school generated funds	$496,620	$170,000	$388,823
Capital and debt services			
Amortization of capital assets			
Supported	$1,320,238	$1,307,722	$1,307,723
Unsupported	$125,371	$162,549	$172,940
Total Amortization of capital assets	$1,445,609	$1,470,271	$1,480,663
Interest on capital debt			
Supported	$7,947	$12,039	$9,618
Unsupported	$0	$0	$0
Total Interest on capital debt	$7,947	$12,039	$9,618
Other interest charges	$471	$0	$830
Losses on disposal of capital assets	$3,992	$0	$0
Total Expenses	$25,286,615	$24,340,889	$21,629,892
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$527,780	($300,000)	($148,514)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$527,780	($300,000)	($148,514)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 8040

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$527,780	($148,514)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,320,238)	($1,307,723)
Total amortization expense	$1,445,609	$1,480,663
Gains on disposal of capital assets	($11,150)	$0
Losses on disposal of capital assets	$3,992	$0
Changes in accrued accounts:		
Accounts receivable	($552,281)	($28,593)
Prepaids and other current assets	($95,675)	$106,113
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$801,593	($556,658)
Deferred revenue	($460,009)	$312,494
Employee future benefit expense (recovery)	$37,000	$35,317
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$376,621	($106,901)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($829,856)	$0
Equipment	($48,221)	($181,947)
Vehicles	$0	($44,541)
Net proceeds from disposal of capital assets	$11,150	$0
Other (describe)		$0
Total sources (uses) of cash from Investing activities	($866,927)	($226,488)
C. FINANCING ACTIVITIES		
Capital allocations	$429,068	$618,134
Issue of long term debt	$0	$0
Repayment of long term debt	($14,829)	($14,829)
Add back: supported portion	$14,829	$14,829
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$429,068	$618,134
Net sources (uses) of cash during year	($61,238)	$284,745
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$2,617,805	$2,333,060
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$2,556,567	$2,617,805

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 8040

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$6,844,359	$4,311,943	$2,187,537	$344,879	$54,879	$170,000	$120,000	$0	$0	$0	$0	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$6,844,359	$4,311,943	$2,187,537	$344,879	$54,879	$170,000	$120,000	$0	$0	$0	$0	$0	$0	$0
Excess(def) of revenue over expenses	$527,780		$527,780											
Board funded capital transactions		$428,034	($428,034)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$1,740,000	$1,740,000												
Amortization of capital assets		($1,445,609)	$1,445,609											
Amortization of capital allocations		$1,320,238	($1,320,238)											
Disposal of unsupported capital assets	$0	($3,992)	$3,992	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			$28,001	($28,001)	($28,001)		$0		$0		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$9,112,139	$6,350,614	$2,444,647	$316,878	$26,878	$170,000	$120,000	$0	$0	$0	$0	$0	$0	$0

School Jurisdiction Code: 8040

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$20,975	$18,363,793
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$20,975	$18,363,793
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$0	
	Infrastructure & Transportation-School/Modular Project Capital *	$429,068	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		$0	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$386,000
Current Year Debenture Principal Repayment			$14,829
Expended capital allocations - current year		($450,043)	$450,043
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$1,320,238
Balance at August 31, 2006		$0	$17,894,427

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The school jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3. This jurisdiction is exempt from payment of income tax and is a registered charity under the Income Tax Act.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The school jurisdiction is limited on certain funding allocations and administration expenses.

2. ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

Revenue Recognition

The school jurisdiction follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received.

Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 4%
Vehicles	20%
Equipment and furnishings	20% and 33⅓%
Leasehold improvements	20%

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

2. ACCOUNTING POLICIES (Continued)

School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

External Service Programs

Revenue and expenses for the Regional Assessment and Development, Promotion and Recruitment activities are recorded as External Service Programs.

Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions from active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the school jurisdiction does not make pension contributions for certificated staff.

The school jurisdiction participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $12,894 for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

The school jurisdiction maintains a defined contribution plan under which amounts are contributed to employees' RRSP accounts. Expense for this plan is equal to the school jurisdiction's required contribution for the year.

The school jurisdiction also has a retirement benefit obligation. This obligation is unfunded and requires no contributions from employees. Expense for this obligation is recorded using the projected benefit method prorated on services. A transitional accrued benefit obligation is accounted for prospectively and amortized using the straight-line method over 6 years.

Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses.

2. ACCOUNTING POLICIES (Continued)

Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the school jurisdiction to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

3. ACCOUNTS RECEIVABLE

	2006	2005
Province of Alberta	$1,040,406	$ 589,868
Federal government	614,028	540,439
Other	23,752	12,187
Other school jurisdictions	19,670	3,081
	$1,697,856	$1,145,575

4. BANK INDEBTEDNESS

The school jurisdiction has negotiated a line of credit in the amount of $100,000 that bears interest at the bank prime rate. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the school jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Other	$1,238,981	$487,616
Other school jurisdictions	50,228	-
	$1,289,209	$487,616

6. DEFERRED REVENUE

	2006	2005
Infrastructure Maintenance Renewal	$276,012	$450,585
Regional Education Consulting Services	69,177	149,808
Subsequent year funding	-	100,000
Infrastructure plant operations and maintenance	-	94,237
Portable setup	-	10,568
Total	$345,189	$805,198

7. EMPLOYEE FUTURE BENEFITS

Changes to the employee future benefits obligation relating to the retirement benefit plan consist of the following:

	2006	2005
Opening balance	$ 94,000	$ 58,683
Current expense for the period:		
Current service costs	26,000	24,317
Amortization of transitional obligation	11,000	11,000
	37,000	35,317
Closing balance	$131,000	$ 94,000

At the beginning of 2003, the school jurisdiction became obligated under current contracts for employee future benefits at retirement. Management prepared a valuation for accounting purposes using the projected benefit method prorated on services. Based upon this valuation, it was determined that the school jurisdiction had an accrued benefit obligation at September 1, 2002 of $66,000. The average remaining service period of employees at that time was 6 years. The school jurisdiction has decided to amortize this transitional obligation using a straight-line method over 6 years.

7. EMPLOYEE FUTURE BENEFITS (Continued)

Changes to the transitional obligation consist of the following:

	2006	2005
Opening balance	$ 33,000	$ 44,000
Less current amortization	11,000	11,000
Closing balance	$ 22,000	$ 33,000

Included in expenses are the following:

	2006	2005
Registered retirement savings plan	$102,576	$ 76,269
Retirement benefit obligation	37,000	35,317
Local Authorities Pension Plan	12,894	16,944
	$152,470	$128,530

8. LONG-TERM DEBT

The school jurisdiction has the following debentures outstanding for the financing of construction of school buildings having a carrying value of $3,993,965:

	2006	2005
Alberta Capital Finance Authority:		
11.625% due April 15, 2010	$ 58,878	$ 73,598
11.125% due October 15, 2008	328	437
	59,206	74,035
Due within one year	14,829	14,829
	$ 44,377	$ 59,206

Principal repayments required in the next four fiscal years are as follows:

2007	$ 14,829
2008	14,829
2009	14,829
2010	14,719

9. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the school jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

10. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

11. RESTRICTIONS ON NET ASSETS

The Board of Trustees have internally restricted unrestricted net assets for internal activities which are expected to be carried on by the Education Region itself. These internally restricted amounts are not available for other purposes without the approval of the Board of Trustees.

12. COMMITMENTS

Operating Leases

The school jurisdiction is committed until December 31, 2006 under operating leases for premises to annual rent of $59,643 plus occupancy expenses as defined in the leases. It is also committed to annual vehicle operating leases of $23,152 until August 31, 2009 and $7,324 for the year ended August 31, 2010.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements
For the Year Ended August 31, 2006

13. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The related party transactions are recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at amounts of consideration agreed upon between the related parties as follows:

	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Government of Alberta				
Education	$1,028,499	$259,541	$22,016,516	$ -
Infrastructure and Transportation	-	85,648	381,617	-
Human Resources	9,287	-	9,222	-
Finance	-	59,206	7,947	7,947
Other				
Other school jurisdictions	19,670	50,228	210,553	464,060
Health authorities	1,800	-	11,262	335
Total 2005 - 2006	$1,059,256	$454,623	$22,637,117	$472,342
Total 2004 - 2005	$ 596,006	$903,485	$18,602,102	$365,848

14. ECONOMIC DEPENDENCE

The school jurisdiction's primary source of income is from the Alberta Government. It's ability to continue viable operations is dependent on this funding.

15. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction. It is presented for information purposes only.

16. FINANCIAL INSTRUMENTS

The school jurisdiction's financial instruments comprise of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the school jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values. The school jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

17. CORRECTION OF AN ERROR

Subsequent to the issuance of the financial statements for the year ended August 31, 2006, a certain error with respect to the recording of offsetting revenues and expenses was discovered. Accordingly, components of the Statement of Revenues and Expenses have been restated to reflect the corrected amounts as follows:

For the year ended August 31, 2006 -

	Previously Reported	**Error Correction**	**As Restated**
Revenue from Government of Alberta	$3,598,186	$(335,376)	$3,262,810
Expenses for services, contracts and supplies	2,676,360	(335,376)	2,340,984

The error has no effect on the net excess (deficiency) of revenues over expenses.

SCHEDULE A to the AFS

School Jurisdiction Cod 8040

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$22,016,516	$13,885,762	$3,262,810	$2,935,760	$1,063,771	$868,413
(2) **Alberta Infrastructure & Transportation**	$381,617	$0	$381,617			
(3) **Alberta Finance**	$7,947		$7,947			$0
(4) **Other - Government of Alberta**	$9,222	$0	$9,222	$0	$0	$0
(5) **Federal Government and/or First Nations**	$993,924	$764,923	$0	$0	$0	$229,001
(6) **Other Alberta school authorities**	$210,553	$0	$0	$0	$0	$210,553
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$3,967	$0	$3,967	$0	$0	$0
(9) **Instruction resource fees**	$165,617	$165,617				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$38,499	$17,347	$2,400	$0	$11,703	$7,049
(12) **Investment income**	$137,479	$74,609	$10,659	$14,922	$37,289	$0
(13) **Gifts and donations**	$2,280	$2,280	$0	$0		$0
(14) **Rentals of facilities**	$18,766	$0	$18,766	$0		$0
(15) **Net school generated funds**	$496,620	$496,620			$0	
(16) **Gains on disposal of capital assets**	$11,150	$0	$0	$0	$11,150	$0
(17) **Amortization of capital allocations**	$1,320,238	$10,555	$1,309,683	$0		$0
(18) **TOTAL REVENUES**	$25,814,395	$15,417,713	$5,007,071	$2,950,682	$1,123,913	$1,315,016
EXPENSES						
(19) **Certificated salaries**	$9,950,400	$9,490,853			$187,585	$271,962
(20) **Certificated benefits**	$1,137,606	$1,062,940			$43,314	$31,352
(21) **Uncertificated salaries and wages**	$2,950,919	$1,812,076	$589,087	$89,337	$385,923	$74,496
(22) **Uncertificated benefits**	$544,658	$321,330	$99,235	$18,907	$92,710	$12,476
(23) **SUB - TOTAL**	$14,583,583	$12,687,199	$688,322	$108,244	$709,532	$390,286
(24) **Services, contracts & supplies**	$8,748,393	$2,382,083	$2,340,984	$2,693,659	$437,005	$894,662
(25) **Cost recoveries between programs**	$0	$0	$0	$0	($28,100)	$28,100
(26) **Net school generated funds**	$496,620	$496,620				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,320,238	$10,555	$1,309,683	$0	$0	$0
(28) Unsupported	$125,371	$104,893	$13,219	$0	$5,316	$1,943
(29) Total Amortization	$1,445,609	$115,448	$1,322,902	$0	$5,316	$1,943
Interest on capital debt						
(30) Supported	$7,947	$0	$7,947	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$471	$172	$114	$0	$160	$25
(33) Losses on disposal of capital assets	$3,992	$3,992	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$25,286,615	$15,685,514	$4,360,269	$2,801,903	$1,123,913	$1,315,016
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$527,780	($267,801)	$646,802	$148,779	$0	$0

School Jurisdiction Code: 8040

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$490,992
Base Instruction (Gr 1-12)	$8,775,753
Outreach Programs	$52,020
Home Education	$0
Differential Cost Funding *	$10,708,647
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$868,413
Learning Resources Credit Allocation	$16,777
Provincial Priority Targeted Funding	
Class Size Initiative	$369,921
Student Health Initiative (SHI)	$59,191
Alberta Initiative for School Improvement (AISI)	$216,813
High Speed Networking	$72,274
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe): Virtual school 285,715/Networking 60,000/Textbooks 40,000	$385,715
Total Alberta Education Revenues	$22,016,516

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 8040

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,165,481	$533,052	$549,389		$0	$57,083	$2,305,005
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$136,641	$293,338	$67,132		$0		$497,111
ECS Program Unit (PUF)	$0	$107,683	$14,760		$0		$122,443
Severe Disabilities (Gr 1-12)	$53,357	$667,984	$19,939		$0		$741,280
English as a Second Language	$154,916	$0	$470		$0		$155,386
French Language Program & Francisation (all jurisdictions)	$177,111	$52,255	$13,416		$0		$242,782
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$0		$0		$0
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$171,194	$8,113	$37,505	$0	$0		$216,812
Student Health Initiative	$0	$74,046	$5,074		$0		$79,120
High Speed Networking			$72,274		$0		$72,274
Class Size	$369,921	$0	$0	$0	$0		$369,921
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$8,325,172	$396,935	$1,395,898	$206,226	$0	$559,149	$10,883,380
TOTAL EXPENSES	$10,553,793	$2,133,406	$2,175,857	$206,226	$0	$616,232	$15,685,514

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	1.8	15.0
ECS Program Unit (PUF)	0.0	4.8
Severe Disabilities (Gr 1-12)	0.8	26.4

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 8040

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	$25,286,615

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	6.00%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,517,197
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		$1,517,197
Less: 2005/2006 Board and System Administration expenses		-$1,123,913
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$393,284

School Jurisdiction Code: 8040

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$270,826
Source of Net School Generated Funds:				
Fundraising activities	$596,707	$148,525	$448,182	
Student fees (Non-Instructional) (Note 2)	$0	$0	$0	
Donations and grants to schools	$29,264	$0	$29,264	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$625,971	$148,525		$477,446
Net SGF Available for Spending				$748,272
Application of Net School Generated Funds:				
Extra-curricular activities			$446,958	
School site beautification			$0	
Field Trips			$49,662	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe):			$0	
Net SGF Expended (Note 3)				$496,620
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$251,652

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 8040

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$573,386	$15,701	$0	$0	$0	$589,087		$589,087
Uncertificated benefits	$99,026	$209	$0	$0	$0	$99,235		$99,235
Sub-total Remuneration	$672,412	$15,910	$0	$0	$0	$688,322		$688,322
Contracted Services	$110,051	$1,403,365	$48,414	$54,314	$136,174	$1,752,318		$1,752,318
Supplies	$74,190	$20,550	$0	$12,079	$13,138	$119,957		$119,957
Electricity			$235,300			$235,300		$235,300
Natural Gas/Heating Fuel			$174,636			$174,636		$174,636
Sewer and Water			$30,073			$30,073		$30,073
Telecommunications			$2,644			$2,644		$2,644
Insurance					$26,056	$26,056		$26,056
Amortization of capital assets								
Supported							$1,309,683	$1,309,683
Unsupported						$13,219		$13,219
Total Amortization						$13,219	$1,309,683	$1,322,902
Interest on capital debt								
Supported							$7,947	$7,947
Unsupported				$0		$0		$0
Other interest charges						$114		$114
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$856,653	$1,439,825	$491,067	$66,393	$175,368	$3,042,639	$1,317,630	$4,360,269
SQUARE METRES								
School Buildings								35,457.5
Non School Buildings								742.2

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 8040

SCHEDULE G to the AFS

DISCLOSURE OF SALARIES AND BENEFITS - 2005-200

(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Claude Duret	1.0	$7,840	$163	$0			$8,003	$6,954
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Martin Blanchet	1.0	$8,115	$180	$0			$8,295	$2,167
Name	Laurent Bloduc	1.0	$5,020	$101	$0			$5,121	$1,626
Name	Josée Devaney	1.0	$5,705	$155	$0			$5,860	$1,541
Name	Paul Dumont	1.0	$4,610	$94	$0			$4,704	$1,136
Name	Fred Kreiner	1.0	$5,195	$110	$0			$5,305	$1,755
Name	Denis Vincent	1.0	$2,575	$60	$0			$2,635	$668
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$39,060*	*$863*	*$0*			*$39,923*	*$15,847*
Superintendent	Henri Lemire	1.0	$135,960	$39,694	$0	$0	$0	$175,654	$27,740
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Robert Nantel	1.0	$103,250	$40,284	$0	$0	$0	$143,534	$15,274
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		136.3	$9,814,440	$1,097,912	$0	$0	$0	$10,912,352	
Uncertificated Salaries & Wages		66.7	$2,808,609	$503,511	$0	$0	$0	$3,312,120	
TOTALS			**$12,901,319**	**$1,682,264**	**$0**	**$0**	**$0**	**$14,583,583**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 98

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Greater Southern Public Francophone Education Region No. 4
Legal Name of School Jurisdiction

2nd Floor, 360 - 94 Ave SE, Calgary AB T2J 0E8
Mailing Address

tel: 403-686-6998 fax: 403-686-2914
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Greater Southern Public Francophone Education Region No. 4
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Anne-Marie Boucher	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT

Dr. Richard Slevinsky	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER

Yvan Beaubien	"ORIGINAL SIGNED"
Name	Signature

November 24, 2006
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

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JMD Joly, McCarthy & Dion CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

TO THE BOARD OF TRUSTEES

Greater Southern Public Francophone Education Region No. 4

We have audited the statement of financial position of the Greater Southern Public Francophone Education Region No. 4 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

ST. PAUL, ALBERTA
November 21, 2006

Joly McCarthy & Dion
CHARTERED ACCOUNTANTS

CA Members of The Institute of Chartered Accountants of Alberta

School Jurisdiction Code: 98

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$1,354,580	$871,680
Accounts receivable (net after allowances)		$776,722	$963,098
Prepaid expenses		$16,469	$95,559
Other current assets		$0	$0
Total current assets		$2,147,771	$1,930,337
School generated assets		$31,264	$22,894
Trust assets		$1,335,737	$0
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$148,786	$148,786
Buildings	$7,463,752		
Less: accumulated amortization	($499,463)	$6,964,289	$6,248,841
Equipment	$569,580		
Less: accumulated amortization	($147,034)	$422,546	$464,351
Vehicles	$54,966		
Less: accumulated amortization	($3,813)	$51,153	$19,064
Total capital assets		$7,586,774	$6,881,042
TOTAL ASSETS		$11,101,546	$8,834,273
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$250,084	$373,600
Deferred revenue		$231,880	$915,806
Deferred capital allocations		$0	$0
Current portion of all long term debt		$0	$0
Total current liabilities		$481,964	$1,289,406
School generated liabilities		$31,264	$22,894
Trust liabilities		$1,335,737	$0
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$0	$0
Less: Current portion of supported debt		$0	$0
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$7,249,307	$6,559,691
Total long term liabilities		$8,616,308	$6,582,585
TOTAL LIABILITIES		$9,098,272	$7,871,991
NET ASSETS			
Unrestricted net assets		$570,752	$426,427
Operating Reserves		$1,095,055	$214,504
Accumulated Operating Surplus (Deficit)		$1,665,807	$640,931
Investment in capital assets		$337,467	$321,351
Capital Reserves		$0	$0
Total Capital Funds		$337,467	$321,351
Total net assets		$2,003,274	$962,282
TOTAL LIABILITIES AND NET ASSETS		$11,101,546	$8,834,273

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 98

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$9,282,603	$7,754,214	$6,368,537
Federal Government and/or First Nations	$542,111	$9,590	$533,151
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$49,094	$56,887	$51,015
Transportation fees	$0	$0	$0
Other sales and services	$594,857	$0	$0
Investment income	$41,206	$0	$17,985
Gifts and donations	$47,570	$0	$0
Rentals of facilities	$1,975	$0	$10,771
Net school generated funds	$43,515	$17,000	$38,001
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$243,150	$158,285	$214,319
Total Revenues	$10,846,081	$7,995,976	$7,233,779
EXPENSES			
Certificated salaries	$3,779,520	$3,892,892	$2,820,025
Certificated benefits	$442,573	$438,952	$328,159
Uncertificated salaries and wages	$827,727	$1,040,819	$679,665
Uncertificated benefits	$171,740	$140,182	$138,516
Services, contracts and supplies	$4,277,077	$2,307,194	$2,524,721
Net school generated funds	$43,515	$17,000	$38,001
Capital and debt services			
Amortization of capital assets			
Supported	$243,150	$155,592	$214,319
Unsupported	$19,787	$2,693	$8,974
Total Amortization of capital assets	$262,937	$158,285	$223,293
Interest on capital debt			
Supported	$0	$0	$0
Unsupported	$0	$0	$0
Total Interest on capital debt	$0	$0	$0
Other interest charges	$0	$652	$766
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$9,805,089	$7,995,976	$6,753,146
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$1,040,992	$0	$480,633
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$1,040,992	$0	$480,633

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$1,040,992	$480,633
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($243,150)	($214,319)
Total amortization expense	$262,937	$223,293
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$186,376	($78,335)
Prepaids and other current assets	$79,090	($82,868)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($123,516)	$43,315
Deferred revenue	($683,926)	($120,485)
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$518,803	$251,234
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($890,700)	$0
Equipment	($42,067)	($197,489)
Vehicles	($35,902)	($19,064)
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($968,669)	($216,553)
C. FINANCING ACTIVITIES		
Capital allocations	$932,766	$75,488
Issue of long term debt	$0	$0
Repayment of long term debt	$0	$0
Add back: supported portion	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$932,766	$75,488
Net sources (uses) of cash during year	$482,900	$110,169
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$871,680	$761,511
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$1,354,580	$871,680

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 98

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$962,282	$321,351	$426,427	$214,504	$118,826	$0	$95,678	$0	$0	$0	$0	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$962,282	$321,351	$426,427	$214,504	$118,826	$0	$95,678	$0	$0	$0	$0	$0	$0	$0
Excess(def) of revenue over expenses	$1,040,992		$1,040,992											
Board funded capital transactions		$35,903	($35,903)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($262,937)	$262,937											
Amortization of capital allocations		$243,150	($243,150)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($880,551)	$880,551	$210,861		$637,481		$32,209		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$2,003,274	$337,467	$570,752	$1,095,055	$329,687	$0	$733,159	$0	$32,209	$0	$0	$0	$0	$0

School Jurisdiction Code: 98

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$0	$6,559,691
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$0	$6,559,691
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$890,699	
Infrastructure & Transportation-School/Modular Project Capital *	$42,067	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$0
Expended capital allocations - current year	($932,766)	$932,766
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$243,150
Balance at August 31, 2006	$0	$7,249,307

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Authority and Purpose

The School Jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

The jurisdiction is exempt from tax under the Income Tax Act.

2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the contributions.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

2. Summary of Significant Accounting Policies (continued)

b) Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	2.5% - 4%
Equipment	10% - 20%
Vehicles	20%

Only capital assets with costs in excess of $5,000 are capitalized. The amortization of the asset will commence in the fiscal year following the year of acquisition. Any capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

c) School Generated Funds

These are funds which come under the control and responsibility of the school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trips, etc.).

d) Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

e) Prepaid expenses

Certain expenditures incurred before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses.

f) Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school-generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

g) Financial Instruments

These consist of cash, accounts receivable, accounts payable, and accrued liabilities. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

2. Summary of Significant Accounting Policies (continued)

h) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

i) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Greater Southern Public Francophone Education Region No. 4 does not make pension contributions for certified staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of $49,149 for the year ended August 31, 2006 ($37,425 – 2005). At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

3. Accounts Receivable

	2006	2005
Alberta Education	$ 89,831	$ 211,785
Alberta Infrastructure and Transportation	231,360	670,949
Federal Government	291,772	--
Other Alberta School Jurisdictions	78,029	--
Other	85,730	80,364
	$ 776,722	$ 963,098

4. Accounts Payable and Accrued Liabilities

	2006	2005
Other Alberta School Jurisdictions	$ 17,286	$ 9,580
Other	232,798	364,020
	$ 250,084	$ 373,600

5. Deferred Revenue

	2006	2005
Infrastructure Maintenance Renewal (from Education)	$ 40,914	$ --
Infrastructure Maintenance Program (from AI & T)	113,903	113,903
One-time funding 2002-03	--	32,799
Technology Integration funding	52,525	112,525
School start-up funding	24,538	111,068
Infrastructure Plant Operations and Maintenance grant	--	545,511
	$ 231,880	$ 915,806

6. Internally Restricted Net Assets

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the board.

	August 31 2005	Appropriated	Used	August 31 2006
Operating Reserves				
Board and system admin.	$ --	$ 32,209	$ --	$ 32,209
School	118,826	210,861	--	329,687
Operation and maintenance	95,678	637,481	--	733,159
	$ 214,504	$ 880,551	$ --	$ 1,095,055

7. Deferred Capital Allocations

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure has not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

8. Unamortized Capital Allocations

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

9. Budget Amounts

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

10. Commitments

Leases
The school jurisdiction currently leases various equipment. The future minimum payments under these operating leases are as follows:

2007	$ 37,403
2008	37,363
2009	24,603
2010	3,676
	$ 103,045

11. Contingent assets

The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of the equity is subject to liability claims.

12. Economic Dependence on Related Third Party

The school jurisdiction's primary source of income is from the Alberta Government. The jurisdiction's ability to continue viable operations is dependent on this funding.

13. Comparative Figures

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

SCHEDULE A to the AFS

School Jurisdiction Cod 98

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$8,507,468	$5,341,717	$1,127,024	$913,885	$416,160	$708,682
(2) **Alberta Infrastructure & Transportation**	$775,135	$269,744	$505,391			
(3) **Alberta Finance**	$0		$0			$0
(4) **Other - Government of Alberta**	$0	$0	$0	$0	$0	$0
(5) **Federal Government and/or First Nations**	$542,111	$542,111	$0	$0		$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$49,094	$49,094				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$594,857	$0	$13,887	$0	$5,700	$575,270
(12) **Investment income**	$41,206	$36,613	$0	$0	$0	$4,593
(13) **Gifts and donations**	$47,570	$47,570	$0	$0		$0
(14) **Rentals of facilities**	$1,975	$1,975	$0	$0	$0	$0
(15) **Net school generated funds**	$43,515	$43,515			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$243,150	$70,489	$172,661	$0		$0
(18) **TOTAL REVENUES**	$10,846,081	$6,402,828	$1,818,963	$913,885	$421,860	$1,288,545
EXPENSES						
(19) **Certificated salaries**	$3,779,520	$3,661,775			$117,745	$0
(20) **Certificated benefits**	$442,573	$432,506			$10,067	$0
(21) **Uncertificated salaries and wages**	$827,727	$523,794	$101,698	$19,444	$182,791	$0
(22) **Uncertificated benefits**	$171,740	$113,325	$25,143	$4,437	$28,835	$0
(23) **SUB - TOTAL**	$5,221,560	$4,731,400	$126,841	$23,881	$339,438	$0
(24) **Services, contracts & supplies**	$4,277,077	$1,083,607	$858,545	$910,848	$135,532	$1,288,545
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$43,515	$43,515				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$243,150	$70,489	$172,661	$0	$0	$0
(28) Unsupported	$19,787	$13,383	$2,591	$0	$3,813	$0
(29) Total Amortization	$262,937	$83,872	$175,252	$0	$3,813	$0
Interest on capital debt						
(30) Supported	$0	$0	$0	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$9,805,089	$5,942,394	$1,160,638	$934,729	$478,783	$1,288,545
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$1,040,992	$460,434	$658,325	($20,844)	($56,923)	$0

School Jurisdiction Code: 98

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$331,193
Base Instruction (Gr 1-12)	$2,783,414
Outreach Programs	$0
Home Education	$3,816
Differential Cost Funding *	$3,310,948
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$6,676
Provincial Priority Targeted Funding	
Class Size Initiative	$67,304
Student Health Initiative (SHI)	$25,597
Alberta Initiative for School Improvement (AISI)	$64,688
High Speed Networking	$18,126
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe): O&M $1,127,024, Tecnology $60,000 and Consortium $708,682	$1,895,706
Total Alberta Education Revenues	$8,507,468

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 98

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$503,785	$181,177	$198,630		$0	$0	$883,592
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$0	$56,516	$11,851		$0		$68,367
ECS Program Unit (PUF)	$0	$52,143	$16,117		$0		$68,260
Severe Disabilities (Gr 1-12)	$26,839	$82,229	$4,331		$0		$113,399
English as a Second Language	$95,778	$2,375	$115		$0		$98,268
French Language Program & Francisation (all jurisdictions)	$191,783	$70,330	$1,433		$0		$263,546
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$0		$0		$0
Home Education	$1,646	$0	$2,170		$0		$3,816
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$64,688	$0	$0	$0	$0		$64,688
Student Health Initiative	$0	$3,327	$16,421		$0		$19,748
High Speed Networking			$18,522		$0		$18,522
Class Size	$61,555	$0	$0	$0	$0		$61,555
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$3,148,207	$189,022	$575,931	$238,086	$0	$0	$4,278,633
TOTAL EXPENSES	$4,094,281	$637,119	$845,521	$238,086	$0	$0	$5,942,394

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.0	2.4
ECS Program Unit (PUF)	0.0	2.2
Severe Disabilities (Gr 1-12)	0.6	3.4

Note:

1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 98

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$9,805,089**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**6.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$588,305
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	641	
	$416,160	$588,305
2005-2006 MAXIMUM EXPENSE LIMIT		**$588,305**
Less: 2005/2006 Board and System Administration expenses		-$478,783
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$109,522

School Jurisdiction Code: 98

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$22,894
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$162,937	$120,681	$42,256	
Student fees (Non-Instructional) (Note 2)	$312	$0	$312	
Donations and grants to schools	$4,106	$0	$4,106	
Other (describe): rent and interest	$5,211	$0	$5,211	
Net Additions to SGF	$172,566	$120,681		$51,885
Net SGF Available for Spending				$74,779
Application of Net School Generated Funds:				
Extra-curricular activities			$29,339	
School site beautification			$876	
Field Trips			$13,300	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe):			$0	
Net SGF Expended (Note 3)				$43,515
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$31,264

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 98

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$58,905	$0	$0	$42,793	$101,698		$101,698
Uncertificated benefits	$0	$15,850	$0	$0	$9,293	$25,143		$25,143
Sub-total Remuneration	$0	$74,755	$0	$0	$52,086	$126,841		$126,841
Contracted Services	$141,561	$19,112	$0	$0	$0	$160,673		$160,673
Supplies	$21,510	$494,176	$0	$0	$4,371	$520,057		$520,057
Electricity			$68,839			$68,839		$68,839
Natural Gas/Heating Fuel			$68,180			$68,180		$68,180
Sewer and Water			$14,086			$14,086		$14,086
Telecommunications			$654			$654		$654
Insurance					$26,056	$26,056		$26,056
Amortization of capital assets								
Supported							$172,661	$172,661
Unsupported						$2,591		$2,591
Total Amortization						$2,591	$172,661	$175,252
Interest on capital debt								
Supported							$0	$0
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$163,071	$588,043	$151,759	$0	$82,513	$987,977	$172,661	$1,160,638
SQUARE METRES								
School Buildings								12,538.7
Non School Buildings								0.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 98

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Anne-Marie Boucher	1.0	$12,015	$223	$0			$12,238	$5,725
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Bonnie Lamoureux-McLean	1.0	$9,535	$141	$0			$9,676	$1,533
Name	Nicole Buret	1.0	$9,788	$280	$0			$10,068	$4,033
Name	Nicole Buret (FCSFA)	0.0	$4,000	$0	$0			$4,000	$0
Name	Lise Piché-Moor	1.0	$6,729	$48	$0			$6,777	$3,523
Name	Alain Ethier	1.0	$8,810	$118	$0			$8,928	$1,390
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*5.0*	*$50,877*	*$810*	*$0*			*$51,687*	*$16,204*
Superintendent	Dr. Richard Slevinsky	1.0	$117,745	$10,067	$0	$0	$0	$127,812	$29,235
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Yvan Beaubien	1.0	$94,438	$20,438	$0	$0	$0	$114,876	$6,110
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		55.9	$3,661,775	$432,506	$0	$0	$0	$4,094,281	
Uncertificated Salaries & Wages		25.6	$682,412	$150,492	$0	$0	$0	$832,904	
TOTALS			**$4,607,247**	**$614,313**	**$0**	**$0**	**$0**	**$5,221,560**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 97

AUDITED FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006

[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Greater Southern Separate Catholic Francophone Education Region No4
Legal Name of School Jurisdiction

#200 - 4800 Ricahrd Road S.W. Calgary Alberta T3E 6L1
Mailing Address

(403) 685-9881 (403) 685-9884
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Greater Southern Separate Catholic Francophone Education Region No4
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Adrian Gnyra	"ORIGINAL SIGNED"
Name	**Signature**

SUPERINTENDENT

Florent Bilodeau	"ORIGINAL SIGNED"
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Suzanne Bédard	"ORIGINAL SIGNED"
Name	**Signature**

22-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 97

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BERGERON & CO.
CERTIFIED GENERAL ACCOUNTANTS
COMPTABLES GÉNÉRAUX AGRÉÉS

AUDITORS' REPORT

To the Board of Trustees of:
The Greater Southern Separate Catholic Francophone Education Region No. 4

We have audited the statement of financial position of **The Greater Southern Separate Catholic Francophone Education Region No. 4** as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bergeron & Co.
Certified General Accountants

October 25, 2006
Edmonton, Alberta

GHISLAIN BERGERON, B.Sc., CGA *
PIERRE BERGERON, B.A., CGA *
SIMON BELZILE, CGA *
* *Professional Corporation*

CGA

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School Jurisdiction Code: 97

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$1,227,447	$933,275
Accounts receivable (net after allowances)		$326,424	$452,809
Prepaid expenses		$29,782	$29,687
Other current assets		$0	$0
Total current assets		$1,583,653	$1,415,771
School generated assets		$9,094	$14,333
Trust assets		$0	$0
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$0	$0
Buildings	$5,741,411		
Less: accumulated amortization	($733,990)	$5,007,421	$5,190,919
Equipment	$756,020		
Less: accumulated amortization	($391,321)	$364,699	$398,184
Vehicles	$0		
Less: accumulated amortization	$0	$0	$0
Total capital assets		$5,372,120	$5,589,103
TOTAL ASSETS		$6,964,867	$7,019,207
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$247,232	$472,803
Deferred revenue		$185,731	$269,792
Deferred capital allocations		$0	$0
Current portion of all long term debt		$0	$0
Total current liabilities		$432,963	$742,595
School generated liabilities		$9,094	$14,333
Trust liabilities		$0	$0
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$0	$0
	Less: Current portion of supported debt	$0	$0
Unsupported:	Debentures and Capital Loans	$0	$0
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$5,099,226	$5,254,672
Total long term liabilities		$5,108,320	$5,269,005
TOTAL LIABILITIES		$5,541,283	$6,011,600
NET ASSETS			
Unrestricted net assets		$300,199	$239,434
Operating Reserves		$580,964	$264,215
Accumulated Operating Surplus (Deficit)		$881,163	$503,649
Investment in capital assets		$272,894	$334,431
Capital Reserves		$269,527	$169,527
Total Capital Funds		$542,421	$503,958
Total net assets		$1,423,584	$1,007,607
TOTAL LIABILITIES AND NET ASSETS		$6,964,867	$7,019,207

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 97

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$6,912,394	$7,050,654	$6,305,906
Federal Government and/or First Nations	$422,881	$329,325	$4,175
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$3,673	$3,000	$3,870
Transportation fees	$0	$0	$4,920
Other sales and services	$7,508	$3,375	$232
Investment income	$21,486	$16,000	$15,681
Gifts and donations	$0	$0	$0
Rentals of facilities	$9,325	$6,000	$6,000
Net school generated funds	$113,194	$4,500	$145,532
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$210,953	$210,953	$213,253
Total Revenues	$7,701,414	$7,623,807	$6,699,569
EXPENSES			
Certificated salaries	$3,407,633	$3,503,700	$3,011,424
Certificated benefits	$426,501	$451,300	$332,865
Uncertificated salaries and wages	$485,629	$490,120	$476,155
Uncertificated benefits	$96,352	$92,900	$98,822
Services, contracts and supplies	$2,436,095	$2,616,963	$2,413,052
Net school generated funds	$113,194	$4,500	$145,532
Capital and debt services			
Amortization of capital assets			
Supported	$210,953	$210,953	$213,253
Unsupported	$109,080	$97,247	$92,171
Total Amortization of capital assets	$320,033	$308,200	$305,424
Interest on capital debt			
Supported	$0	$0	$0
Unsupported	$0	$0	$0
Total Interest on capital debt	$0	$0	$0
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$7,285,437	$7,467,683	$6,783,274
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$415,977	$156,124	($83,705)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$415,977	$156,124	($83,705)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$415,977	($83,705)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($210,953)	($213,253)
Total amortization expense	$320,033	$305,424
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$126,385	($269,207)
Prepaids and other current assets	($95)	$8,998
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($225,571)	$208,314
Deferred revenue	($84,061)	$110,053
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$341,715	$66,624
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	$0	$0
Equipment	($103,050)	($52,808)
Vehicles	$0	$0
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($103,050)	($52,808)
C. FINANCING ACTIVITIES		
Capital allocations	$0	$0
Issue of long term debt	$0	$0
Repayment of long term debt	$0	$0
Add back: supported portion	$0	$0
Other (describe) Transfer to unamortized capital allocations	$55,507	$0
Total sources (uses) of cash from Financing activities	$55,507	$0
Net sources (uses) of cash during year	$294,172	$13,816
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$933,275	$919,459
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$1,227,447	$933,275

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 97

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$1,007,607	$334,431	$239,434	$433,742	$264,215	$169,527	$0	$0	$0	$0	$0	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$1,007,607	$334,431	$239,434	$433,742	$264,215	$169,527	$0	$0	$0	$0	$0	$0	$0	$0
Excess(def) of revenue over expenses	$415,977		$415,977											
Board funded capital transactions		$47,543	($47,543)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($320,033)	$320,033											
Amortization of capital allocations		$210,953	($210,953)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($316,749)	$316,749	$100,000		$185,286		$31,463		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			($100,000)	$100,000		$100,000		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$1,423,584	$272,894	$300,199	$850,491	$364,215	$269,527	$185,286	$0	$31,463	$0	$0	$0	$0	$0

School Jurisdiction Code: 97

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$0	$5,254,672
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$0	$5,254,672
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$55,507
Current Year Debenture Principal Repayment		$0
Expended capital allocations - current year		$0
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		
Capital allocations amortized to revenue		$210,953
Balance at August 31, 2006	$0	$5,099,226

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

On July 7, 2000 by order of the Minister of Learning of Alberta, the Greater Southern Separate Catholic Francophone Education Region No. 4 was established. The school jurisdiction receives block allocations for instruction and support for the delivery of a catholic francophone educational program under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3. The jurisdiction is exempt from tax under the Canada Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Learning for Alberta School jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue Recognition:
Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Unrestricted contributions are recognized as revenue when received and receivable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is applied.

Capital Assets:
Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis. Capital assets transferred from other jurisdictions are recorded at their net book value and amortized over the remaining useful lives on a straight-line basis.

Buildings	10 to 40 years
Site development	20 years
Furniture, equipment	5 to 10 years

Only capital assets with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

School Generated Funds:
These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. Yearbook sales, graduation fees, field trip fees, etc.)

Financial Instruments:
The jurisdiction's financial instruments consist of cash, accounts receivable and accounts payable. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

Vacation Pay:
Vacation pay is accrued in the period in which the employee earns the benefit.

Prepaid expenses:
Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses.

Contributed Services:
Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Operating and Capital Reserves:
Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Pensions:
Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School Division does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $26,189 for the year ended August 31, 2006 ($29,331 in 2005). At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

Employee future benefits
The school jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. There is no financial impact on the school jurisdiction at this time.

THE GREATER SOUTHERN SEPARATE CATHOLIC FRANCOPHONE EDUCATION REGION NO. 4

Notes to the Financial Statements
August 31, 2006

3. ACCOUNTS RECEIVABLE

	2006 $	2005 $
Federal Government	221,226	212,974
Alberta Education	51,492	40,463
Alberta Advanced Education	23,510	23,510
Other	30,196	25,756
Alberta Infrastructure & Transportation	0	150,106
	326,424	452,809

4. CAPITAL ASSETS

	Cost $	Accumulated Amortization $	Net Book Value 2006 $	Net Book Value 2005 $
Building	5,188,757	594,806	4,593,951	4,742,653
Site development	552,654	139,184	413,470	448,266
Furniture & equipment	756,020	391,321	364,699	398,184
	6,497,431	1,125,311	5,372,120	5,589,103

5. ACCOUNTS PAYABLE

	2006 $	2005 $
Other trade payables & accrued liabilities	191,197	436,211
Other Alberta School Jurisdictions	54,995	33,148
Alberta Education	1,040	3,444
	247,232	472,803

6. DEFERRED REVENUE

	2006 $	2005 $
Infrastructure maintenance renewal	137,355	114,506
Alberta Education – Class Size funding	17,758	20,000
Alberta Education – Classroom Resources	15,000	15,000
Alberta Education – Infrastructure	7,209	0
Alberta Education – SHIP	3,916	0
Alberta Education – High Speed Networking	4,493	60,000
Alberta Education - O & M	0	60,286
	185,731	269,792

7. UNAMORTIZED CAPITAL ALLOCATIONS

Capital allocations received for qualifying capital projects initiated by the jurisdiction, or qualifying assets transferred from other jurisdictions have been capitalized. These allocations are amortized on a basis consistent with the capital asset that the allocation funded. The transfer in came from the High Speed Networking deferred revenues of 2004/2005.

8. OTHER REVENUE FROM ALBERTA EDUCATION

	2006 $	2005 $
Operations and maintenance	527,772	106,996
SAIT Partnership	0	23,510
Microsoft license rebate	0	365
	527,772	130,871

9. INTERNALLY RESTRICTED NET ASSETS

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the Board.

	Balance Aug 31/05 $	Appropriated $	Used $	Balance Aug 31/06 $
Operating Reserves:				
Board and system admin.	0	31,463	0	31,463
School based	264,215	100,000	0	364,215
Infrastructure	0	185,286	0	185,286
	264,215	316,749	0	580,964
Capital Reserves:				
Equipment	169,527	100,000	0	269,527
Total	433,742	416,749	0	850,491

10. COMMITMENTS

Leases and service contracts: the school jurisdiction has agreements for transportation services and electricity services which are at a fixed rate per unit factor, which are in effect until 2008 and 2010 respectively.

Building project: the school jurisdiction is committed to capital expenditures for the construction of the Notre-Dame des Monts School of approximately $ 2,771,272 (20% of total school construction). It is anticipated that these costs will be fully funded by the capital allocations by Alberta Education and Alberta Infrastructure and Transportation.

11. CONTINGENCIES

The jurisdiction is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

12. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	BALANCES		TRANSACTIONS	
2005-2006	Assets	Liabilities	Revenues	Expenses
	$	$	$	$
Government of Alberta				
Education	188,507	186,771	6, 823,429	31 869
Infrastructure & transp.	32,647	0	88,965	0
Advanced Education	23,510	0	0	0
Minister of Finance	0	0	0	25
Other Alberta School Jurisdictions	0	54,995	0	139 542
Total 2005 - 2006	244,664	241,766	6,912,394	171 436
Total 2004 - 2005	368,788	306,384	6,542,669	83 511

13. ECONOMIC DEPENDENCE ON REALTED THIRD PARTY

The School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

14. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

15. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

SCHEDULE A to the AFS

School Jurisdiction Code 97

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$6,823,429	$4,769,680	$527,772	$1,109,817	$416,160	$0
(2) **Alberta Infrastructure & Transportation**	$88,965	$0	$88,965			
(3) **Alberta Finance**	$0		$0			$0
(4) **Other - Government of Alberta**	$0	$0	$0	$0	$0	$0
(5) **Federal Government and/or First Nations**	$422,881	$422,881	$0	$0	$0	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$3,673	$3,673				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$7,508	$3,185	$221	$3,299	$803	$0
(12) **Investment income**	$21,486		$0	$21,486	$0	$0
(13) **Gifts and donations**	$0	$0	$0	$0		$0
(14) **Rentals of facilities**	$9,325		$9,325	$0	$0	$0
(15) **Net school generated funds**	$113,194	$113,194			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$210,953	$27,456	$183,497	$0		$0
(18) **TOTAL REVENUES**	$7,701,414	$5,340,069	$809,780	$1,134,602	$416,963	$0
EXPENSES						
(19) **Certificated salaries**	$3,407,633	$3,310,740			$96,893	$0
(20) **Certificated benefits**	$426,501	$407,579			$18,922	$0
(21) **Uncertificated salaries and wages**	$485,629	$323,186	$27,500	$12,859	$122,084	$0
(22) **Uncertificated benefits**	$96,352	$65,746	$6,753	$3,238	$20,615	$0
(23) **SUB - TOTAL**	$4,416,115	$4,107,251	$34,253	$16,097	$258,514	$0
(24) **Services, contracts & supplies**	$2,436,095	$485,494	$435,051	$1,372,366	$143,184	$0
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$113,194	$113,194				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$210,953	$27,456	$183,497	$0	$0	$0
(28) Unsupported	$109,080	$105,115	$0	$0	$3,965	$0
(29) Total Amortization	$320,033	$132,571	$183,497	$0	$3,965	$0
Interest on capital debt						
(30) Supported	$0	$0	$0	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$7,285,437	$4,838,510	$652,801	$1,388,463	$405,663	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$415,977	$501,559	$156,979	($253,861)	$11,300	$0

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$241,680
Base Instruction (Gr 1-12)	$3,133,063
Outreach Programs	$0
Home Education	$0
Differential Cost Funding *	$2,707,261
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$5,336
Provincial Priority Targeted Funding	
Class Size Initiative	$90,708
Student Health Initiative (SHI)	$27,112
Alberta Initiative for School Improvement (AISI)	$78,413
High Speed Networking	$12,084
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe): O&M	$527,772
Total Alberta Education Revenues	$6,823,429

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 97

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$443,361	$257,429	$254,648		$0	$0	$955,438
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$39,036	$24,509	$9,325		$0		$72,870
ECS Program Unit (PUF)	$1,008	$17,776	$1,485		$0		$20,269
Severe Disabilities (Gr 1-12)	$39,036	$18,953	$9,325		$0		$67,314
English as a Second Language	$39,861	$0	$114		$0		$39,975
French Language Program & Francisation (all jurisdictions)	$9,423	$0	$0		$0		$9,423
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$0		$0		$0
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$99,491	$9,383	$5,075	$2,283	$0		$116,232
Student Health Initiative	$0	$0	$27,112		$0		$27,112
High Speed Networking			$12,400		$0		$12,400
Class Size	$81,428	$0	$0	$1,845	$0		$83,273
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$2,965,674	$60,882	$71,437	$90,445	$0	$245,765	$3,434,204
TOTAL EXPENSES	$3,718,318	$388,932	$390,921	$94,573	$0	$245,765	$4,838,510

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.6	1.0
ECS Program Unit (PUF)	0.0	0.7
Severe Disabilities (Gr 1-12)	0.6	1.0

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on seperately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 97

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	$7,285,437

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	6.00%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$437,126
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	613	
	$416,160	$437,126
2005-2006 MAXIMUM EXPENSE LIMIT		**$437,126**
Less: 2005/2006 Board and System Administration expenses		-$405,663
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$31,463

School Jurisdiction Code: 97

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$14,333
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$34,506	$17,026	$17,480	
Student fees (Non-Instructional) (Note 2)	$134,005	$48,708	$85,297	
Donations and grants to schools	$73,359	$68,184	$5,175	
Other (describe):	$2,573	$2,570	$3	
Net Additions to SGF	$244,443	$136,488		$107,955
Net SGF Available for Spending				$122,288
Application of Net School Generated Funds:				
Extra-curricular activities			$79,236	
School site beautification			$0	
Field Trips			$33,958	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe):			$0	
Net SGF Expended (Note 3)				$113,194
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$9,094

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 97

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$0	$0	$0	$27,500	$27,500		$27,500
Uncertificated benefits	$0	$0	$0	$0	$6,753	$6,753		$6,753
Sub-total Remuneration	$0	$0	$0	$0	$34,253	$34,253		$34,253
Contracted Services	$167,135	$113,509	$0	$0	$29,359	$310,003		$310,003
Supplies	$4,443	$3,056	$0	$29,187	$1,401	$38,087		$38,087
Electricity			$38,693			$38,693		$38,693
Natural Gas/Heating Fuel			$36,013			$36,013		$36,013
Sewer and Water			$6,150			$6,150		$6,150
Telecommunications			$210			$210		$210
Insurance					$5,895	$5,895		$5,895
Amortization of capital assets								
Supported							$183,497	$183,497
Unsupported						$0		$0
Total Amortization						$0	$183,497	$183,497
Interest on capital debt								
Supported							$0	$0
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$171,578	$116,565	$81,066	$29,187	$70,908	$469,304	$183,497	$652,801
SQUARE METRES								
School Buildings								7,366.0
Non School Buildings								0.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 97

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-2006
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Adrian Gnyra	1.0	$5,888	$0	$0			$5,888	$2,132
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Carrol Plummerr	1.0	$5,731	$0	$0			$5,731	$3,888
Name	Sylvie Pinard	1.0	$9,079	$0	$0			$9,079	$4,805
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*3.0*	*$20,698*	*$0*	*$0*			*$20,698*	*$10,825*
Superintendent	Florent Bilodeau	0.6	$67,084	$9,070	$10,000	$0	$0	$86,154	$8,902
Superintendent	Gérard Bissonnette	0.4	$38,500	$410	$0	$0	$0	$38,910	$11,273
Superintendent	Cécile Bonnar	0.0	$0		$0	$0	$2,020	$2,020	$0
Secretary/Treasurer	Suzanne Bédard	0.8	$50,586	$11,153	$0	$0	$0	$61,739	$1,449
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		51.9	$3,302,049	$405,001	$0	$0	$0	$3,707,050	
Uncertificated Salaries & Wages		13.6	$414,344	$85,200	$0	$0	$0	$499,544	
TOTALS			**$3,893,261**	**$510,834**	**$10,000**	**$0**	**$2,020**	**$4,416,115**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 4077

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Greater St. Albert Catholic Regional Division No. 29
Legal Name of School Jurisdiction

6 St. Vital Avenue, St. Albert, AB T8N 1K2
Mailing Address

(780) 459-7711 and (780) 458-3213
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Greater St. Albert Catholic Regional Division No. 29 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Mrs. Rosaleen McEvoy	**"Original Signed"**
Name	**Signature**

SUPERINTENDENT

Mr. Jerry Zimmer	**"Original Signed"**
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Mr. Al Summers	**"Original Signed"**
Name	**Signature**

27-Nov-06
Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 4077

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Deloitte.

Deloitte & Touche LLP
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Edmonton AB T5J 4E4
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Auditors' Report

To the Board of Trustees of
Greater St. Albert Catholic Regional Division No. 29

We have audited the statement of financial position of the Greater St. Albert Catholic Regional Division No. 29 (the "Division") as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Division as at August 31, 2006, and the results of its operations, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP

Chartered Accountants

October 24, 2006

Member of
Deloitte Touche Tohmatsu

School Jurisdiction Code: 4077

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005 Restated
ASSETS			
Current assets			
Cash and temporary investments		$692,443	$565,065
Accounts receivable (net after allowances)		$1,277,737	$2,499,573
Prepaid expenses		$501,325	$502,065
Other current assets		$0	$0
Total current assets		$2,471,505	$3,566,703
School generated assets		$982,303	$832,430
Trust assets		$509,045	$320,948
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$1,396,416	$1,396,416
Buildings	$60,673,578		
Less: accumulated amortization	($29,495,155)	$31,178,423	$32,649,059
Equipment	$2,635,935		
Less: accumulated amortization	($1,919,557)	$716,378	$776,170
Vehicles	$232,928		
Less: accumulated amortization	($148,961)	$83,967	$79,984
Total capital assets		$33,375,184	$34,901,629
TOTAL ASSETS		$37,338,037	$39,621,710
LIABILITIES			
Current liabilities			
Bank indebtedness		$756,438	$1,326,048
Accounts payable and accrued liabilities		$1,663,120	$1,923,977
Deferred revenue		$933,976	$587,115
Deferred capital allocations		$47,098	$0
Current portion of all long term debt		$1,260,467	$1,290,932
Total current liabilities		$4,661,099	$5,128,072
School generated liabilities		$982,303	$832,430
Trust liabilities		$509,045	$320,948
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$11,183,361	$12,392,293
Less: Current portion of supported debt		($1,184,467)	($1,208,932)
Unsupported: Debentures and Capital Loans		$114,000	$196,000
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		($76,000)	($82,000)
Other long term liabilities		$0	$0
Unamortized capital allocations		$16,534,251	$16,478,409
Total long term liabilities		$28,062,493	$28,929,148
TOTAL LIABILITIES		$32,723,592	$34,057,220
NET ASSETS			
Unrestricted net assets		($1,441,361)	($1,271,629)
Operating Reserves		$0	$0
Accumulated Operating Surplus (Deficit)		($1,441,361)	($1,271,629)
Investment in capital assets		$5,543,572	$5,834,927
Capital Reserves		$512,234	$1,001,192
Total Capital Funds		$6,055,806	$6,836,119
Total net assets		$4,614,445	$5,564,490
TOTAL LIABILITIES AND NET ASSETS		$37,338,037	$39,621,710

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 4077

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006 Unaudited	Actual 2005
REVENUES			
Government of Alberta	$51,992,470	$51,520,557	$51,728,248
Federal Government and/or First Nations	$200,041	$190,835	$208,378
Other Alberta school authorities	$30,000	$0	$104,557
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$3,112	$0	$3,952
Instruction resource fees	$1,346,465	$791,081	$1,180,479
Transportation fees	$262,550	$236,536	$243,334
Other sales and services	$469,032	$400,000	$310,974
Investment income	$53,264	$45,000	$29,981
Gifts and donations	$0	$0	$0
Rentals of facilities	$0	$0	$4,500
Net school generated funds	$907,973	$379,935	$1,290,343
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$1,519,764	$1,540,141	$1,540,141
Total Revenues	$56,784,671	$55,104,085	$56,644,887
EXPENSES			
Certificated salaries	$28,936,790	$27,511,943	$28,055,252
Certificated benefits	$3,626,826	$3,860,311	$3,527,075
Uncertificated salaries and wages	$7,947,741	$6,240,541	$7,897,768
Uncertificated benefits	$2,013,138	$1,805,176	$1,939,381
Services, contracts and supplies	$11,129,486	$11,768,546	$10,737,449
Net school generated funds	$907,973	$379,935	$1,290,343
Capital and debt services			
Amortization of capital assets			
Supported	$1,519,764	$1,540,141	$1,540,141
Unsupported	$535,966	$527,492	$574,743
Total Amortization of capital assets	$2,055,730	$2,067,633	$2,114,884
Interest on capital debt			
Supported	$1,104,474	$1,380,000	$1,228,433
Unsupported	$12,558	$82,000	$14,104
Total Interest on capital debt	$1,117,032	$1,462,000	$1,242,537
Other interest charges	$0	$8,000	$21,670
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$57,734,716	$55,104,085	$56,826,359
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	($950,045)	$0	($181,472)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	($950,045)	$0	($181,472)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 4077

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	($950,045)	($181,472)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,519,764)	($1,540,141)
Total amortization expense	$2,055,730	$2,114,884
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$1,221,836	$79,033
Prepaids and other current assets	$740	$48,052
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($260,857)	($159,147)
Deferred revenue	$346,861	$59,978
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$894,501	$421,187
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($366,674)	($65,050)
Equipment	($138,971)	($126,323)
Vehicles	($23,640)	($23,430)
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($529,285)	($214,803)
C. FINANCING ACTIVITIES		
Capital allocations	$413,772	$0
Issue of long term debt	$0	$0
Repayment of long term debt	($1,290,932)	($1,384,469)
Add back: supported portion	$1,208,932	$1,302,469
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$331,772	($82,000)
Net sources (uses) of cash during year	$696,988	$124,384
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	($760,983)	($885,367)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	($63,995)	($760,983)

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$5,564,490	$5,834,927	($1,271,629)	$1,001,192	$0	$488,958		$0	$0	$512,234	$0	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$5,564,490	$5,834,927	($1,271,629)	$1,001,192	$0	$488,958	$0	$0	$0	$512,234	$0	$0	$0	$0
Excess(def) of revenue over expenses	($950,045)		($950,045)											
Board funded capital transactions		$162,611	($162,611)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,055,730)	$2,055,730											
Amortization of capital allocations		$1,519,764	($1,519,764)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$82,000	($82,000)											
Net transfers to operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$488,958	($488,958)		($488,958)		$0		$0		$0		$0
Balance at August 31, 2006	$4,614,445	$5,543,572	($1,441,361)	$512,234	$0	$0	$0	$0	$0	$512,234	$0	$0	$0	$0

School Jurisdiction Code: 4077

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$0	$16,478,409
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$0	$16,478,409
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$404,511	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$9,261	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$1,208,932
Expended capital allocations - current year	($366,674)	$366,674
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$1,519,764
Balance at August 31, 2006	$47,098	$16,534,251

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The Greater St. Albert Catholic Regional Division No. 29 (the "Division") was formed effective January 1, 1995, and is empowered to provide public Catholic education to its resident students under the authority of the School Act, Chapter S-3, Revised Statutes of Alberta 2000, through bylaws and policies approved by its Board of Trustees and pursuant to the provisions of the Alberta School Act. The Division was formed when the assets and liabilities of the Legal School District No. 1738, Thibault Roman Catholic Public School District No. 35 and St. Albert School District No. 3 were transferred to the Division on January 1, 1995. The three individual boards were dissolved at midnight on December 31, 1994, and the Board of the Greater St. Albert Catholic Regional Division No. 29 was established. On September 1, 1998, the Guibault Roman Catholic Separate School District No. 552 joined the Division.

The Division receives block allocations for instruction and support under Regulation 77/2003. The regulation limits funding and expenses for administration. It permits the Division, within specified limits, to reallocate funding between the instruction and support blocks.

2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue recognition

Instruction and support allocations are recognized in the year to which they relate.

Credit Enrolment Units ("CEUS") revenue, which is recorded in Alberta Learning revenues, is recorded in the year in which the amounts are reasonably determinable and collectible.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment Funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

2. ACCOUNTING POLICIES (continued)

Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations that are amortized to revenue on the same basis as the capital asset acquired by the grant.

Cash and bank indebtedness

Cash consists of cash on deposit in bank accounts. Bank indebtedness consists of payroll transfers in excess of bank balances.

Capital assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	10 to 40 years
Equipment	5 and 10 years
Vehicles	5 and 10 years

Amortization of capital assets commences in the year following acquisition. Only capital assets with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related assets.

School generated funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are collected and retained at the school level for expenditures at the school level.

Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Financial instruments

The Division's financial instruments consist of cash, school generated assets, accounts receivable, accounts payable and accrued liabilities, bank indebtedness and long-term debt. It is management's opinion that the Division is not exposed to significant currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Division has invested surplus funds in accordance with Section 44 of the School Act and Section 5 of the Trustees Act.

Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies that will be consumed subsequent to the year-end and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

2. ACCOUNTING POLICIES (continued)

Contributed services

Volunteers contribute a considerable number of hours per year to various schools that are within the Division to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Capital reserves

Reserves are established at the discretion of the Board of Trustees of the Division or externally to set aside funds for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Employee future benefits

The Division accrues its obligations under employee future benefit plans and expenses the related costs. There is no financial impact on the Division at this time.

Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant areas requiring the use of management's estimates include the collectible amounts of accounts receivable, the useful lives of capital assets and the corresponding rates of amortization, the amount of accrued liabilities and the fair value of financial instruments.

3. PENSION OBLIGATION

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers' Pension Plan Act, the Greater St. Albert Catholic Regional Division No. 29 does not make pension contributions for certificated staff.

The Division participates in a multi-employer pension plan, the Local Authorities Pension Plan. The expense for this plan is equivalent to the annual contributions of $545,079 (2005 - $503,931) for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported a deficit of $863,558,000 (December 31, 2004 - deficit of $1,288,924,000).

4. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Education	$ 96,015	$ 53,529
Alberta Infrastructure	-	1,044,797
Alberta Finance	578,453	640,594
Federal Government	100,461	85,226
Other	502,808	675,427
	$ 1,277,737	$ 2,499,573

5. PREPAID EXPENSES

Included in prepaid expenses are payments for textbooks, general instructional supplies and custodial supplies. At August 31, 2006, these payments amounted to $442,540 (2005 - $444,167).

6. TRUST ASSETS AND LIABILITIES

Trust assets and liabilities are accounts that the Division is not entitled to, but which they manage on behalf of others. Included in the trust accounts are the following items:

	2006	2005
Student Health Initiative Program	$ 398,752	$ 249,150
Deferred salary leave plan	94,072	55,514
Frank Nigro	14,304	14,146
Joelle Cloutier	1,917	2,138
	$ 509,045	$ 320,948

7. CAPITAL ASSETS

	2006			2005
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land'	$ 1,396,416	$ -	$ 1,396,416	$ 1,396,416
Buildings	60,673,578	29,495,155	31,178,423	32,649,059
Equipment	2,635,935	1,919,557	716,378	776,170
Vehicles	232,928	148,961	83,967	79,984
	$ 64,938,857	$ 31,563,673	$ 33,375,184	$ 34,901,629

8. BANK INDEBTEDNESS

Bank indebtedness consists of payroll transfers in excess of bank balance. In the prior year the Division had negotiated a line of credit in the amount of $5,000,000 that bears interest at the bank prime rate. There was a balance of $756,438 outstanding on the line of credit at August 31, 2006 (2005 - $1,326,048).

9. ACCOUNTS PAYABLE

	2006	2005
Alberta Education	$ 103,043	$ -
Other Province of Alberta - Capital Health	57,110	174,632
Other trade payables and accrued liabilities	1,502,967	1,749,345
	$ 1,663,120	$ 1,923,977

10. DEFERRED REVENUE

	2006	2005
Transportation	$ 280,605	$ 184,668
AISI	27,591	-
Alberta Education - IMR	294,329	-
Alberta Infrastructure - Portables	16,883	114,041
Other	314,568	288,406
	$ 933,976	$ 587,115

11. LONG-TERM DEBT

	2006	2005
Debentures outstanding at August 31, 2006, have interest rates that vary between 5.6% and 12%. The terms of the debentures range from 10 to 25 years with payments of principal and interest made annually.	$ 11,297,361	$ 12,588,293
Less current portion	(1,266,467)	(1,290,932)
	$ 10,030,894	$ 11,297,361

11. LONG-TERM DEBT (continued)

Principal repayments required in each of the next five fiscal years are as follows:

	Supported	Unsupported	Total
2007	$ 1,184,467	$ 76,000	$ 1,260,467
2008	1,157,931	38,000	1,195,931
2009	1,106,817	-	1,106,817
2010	1,106,817	-	1,106,817
2011	980,617	-	980,617

12. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations relate to grants received from Alberta Infrastructure for the acquisition of capital assets or the repayment of debt originally incurred for the purpose of acquiring capital assets. When the capital asset is complete, the applicable unamortized capital allocation amount is amortized as revenue over the same period of time that the capital asset is amortized to expense.

13. RESTRICTED SURPLUS

	2006	2005
Capital Reserves		
Board and system administration	**$ 512,234**	$ 512,234
School based	**-**	488,958
	$ 512,234	$ 1,001,192

Restricted capital represents funds allocated for future capital expenditures. The funds are established and expended in accordance with terms and conditions established by the Board of Trustees.

14. RELATED PARTY TRANSACTIONS

Effective 2005-2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Division had the following related party transactions for the year ended August 31, 2006.

	Balances		Transactions	
2005 - 2006	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta				
Education	$ 96,015	$ 441,846	$ 51,992,470	$ -
Finance	578,453	583,102	-	-
Other				
Other Government	-	-	-	1,117,032
Capital Health	-	57,110	-	272,999
Other Alberta jurisdictions	146,433	21,447	30,000	8,114
Total 2005 - 2006	$ 820,901	$ 1,103,505	$ 52,022,470	$ 1,398,145
Total 2004 - 2005	$ 1,738,920	$ 1,148,223	$ 51,728,248	$ 1,637,664

Accounts receivable includes $674,468 (2005 - $1,738,920) from the Province of Alberta.

15. COMMITMENTS

The Division has the following minimum commitments under equipment leases and supply contracts over the next five years:

2007	**$ 459,473**
2008	**555,945**
2009	**525,051**
2010	**307,025**
2011	**100,506**

In addition to the above, the Division entered into an agreement for the purchase of electricity at a flat-fixed rate of 5.41 cents per kilowatt-hour. This agreement expires December 31, 2010.

16. CONTINGENCIES

The jurisdiction is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. The payments have been recorded as expenditures in the financial statements, as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

18. ASSET RETIREMENT OBLIGATIONS

During the year, the Division adopted Section 3110 of the CICA Handbook, "Asset Retirement Obligations". Asset Retirement Obligations represent legal obligations associated with the retirement of a tangible long-lived asset that result from its acquisition, construction, development or normal operation. There is no impact on the Division upon adoption of this section as the Division has no identifiable asset retirement obligations.

19. BUDGET AMOUNTS

The budget was prepared by the Division's management and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

20. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

SCHEDULE A to the AFS

School Jurisdiction Code 4077

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$50,673,500	$41,753,194	$4,860,386	$2,044,894	$1,997,390	$17,636
(2) **Alberta Infrastructure & Transportation**	$130,492	$0	$130,492			
(3) **Alberta Finance**	$1,108,741		$1,108,741			$0
(4) **Other - Government of Alberta**	$79,737	$77,339	$2,398	$0	$0	$0
(5) **Federal Government and/or First Nations**	$200,041	$198,794	$1,247	$0	$0	$0
(6) **Other Alberta school authorities**	$30,000	$30,000	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$3,112	$0	$3,112	$0	$0	$0
(9) **Instruction resource fees**	$1,346,465	$1,346,465				
(10) **Transportation fees**	$262,550			$262,550		
(11) **Other sales and services**	$469,032	$3,867	$0	$0	$125,287	$339,878
(12) **Investment income**	$53,264	$3,734	$0	$0	$49,530	$0
(13) **Gifts and donations**	$0	$0	$0	$0		$0
(14) **Rentals of facilities**	$0	$0	$0	$0	$0	$0
(15) **Net school generated funds**	$907,973	$907,973			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$1,519,764	$0	$1,519,764	$0		$0
(18) **TOTAL REVENUES**	$56,784,671	$44,321,366	$7,626,140	$2,307,444	$2,172,207	$357,514
EXPENSES						
(19) **Certificated salaries**	$28,936,790	$28,631,360			$305,430	$0
(20) **Certificated benefits**	$3,626,826	$3,592,993			$33,833	$0
(21) **Uncertificated salaries and wages**	$7,947,741	$6,532,507	$565,017	$105,393	$744,824	$0
(22) **Uncertificated benefits**	$2,013,138	$1,649,966	$142,218	$22,359	$198,595	$0
(23) **SUB - TOTAL**	$42,524,495	$40,406,826	$707,235	$127,752	$1,282,682	$0
(24) **Services, contracts & supplies**	$11,129,486	$4,199,460	$3,691,944	$2,088,449	$789,935	$359,698
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$907,973	$907,973				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,519,764	$0	$1,519,764	$0	$0	$0
(28) Unsupported	$535,966	$150,091	$276,712	$13,307	$95,856	$0
(29) Total Amortization	$2,055,730	$150,091	$1,796,476	$13,307	$95,856	$0
Interest on capital debt						
(30) Supported	$1,104,474	$0	$1,104,474	$0	$0	$0
(31) Unsupported	$12,558	$0	$12,558	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$57,734,716	$45,664,350	$7,312,687	$2,229,508	$2,168,473	$359,698
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	($950,045)	($1,342,984)	$313,453	$77,936	$3,734	($2,184)

School Jurisdiction Code: 4077

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,233,840
Base Instruction (Gr 1-12)	$32,951,998
Outreach Programs	$52,020
Home Education	$13,992
Differential Cost Funding *	$6,916,043
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$46,509
Provincial Priority Targeted Funding	
Class Size Initiative	$1,952,208
Student Health Initiative (SHI)	$391,914
Alberta Initiative for School Improvement (AISI)	$842,034
High Speed Networking	$102,714
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$181,973
Other Alberta Education Revenues (describe): PO&M, Special Projects, Fuel Funding Initiative, French Federal, Secondments	$5,988,255
Total Alberta Education Revenues	$50,673,500

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 4077

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$3,099,042	$2,201,974	$0		$0	$0	$5,301,016
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$901,826	$1,840,112	$192,049		$0		$2,933,987
ECS Program Unit (PUF)	$342,362	$1,143,437	$169,396		$0		$1,655,195
Severe Disabilities (Gr 1-12)	$1,122,875	$2,266,694	$263,694		$0		$3,653,263
English as a Second Language	$0	$0	$21,278		$0		$21,278
French Language Program & Francisation (all jurisdictions)	$0	$0	$217,350		$0		$217,350
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$250,510		$0		$250,510
Home Education	$0	$0	$25,834		$0		$25,834
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$582,039	$84,824	$101,684	$73,487	$0		$842,034
Student Health Initiative	$0	$57,661	$334,253		$0		$391,914
High Speed Networking			$107,645		$0		$107,645
Class Size	$2,057,028	$0	$59,364	$0	$0		$2,116,392
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$24,119,181	$587,771	$2,129,846	$253,070	$0	$1,058,064	$28,147,932
TOTAL EXPENSES	$32,224,353	$8,182,473	$3,872,903	$326,557	$0	$1,058,064	$45,664,350

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	10.3	47.2
ECS Program Unit (PUF)	4.6	24.2
Severe Disabilities (Gr 1-12)	13.3	61.1

Note:
[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.
[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 4077

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	$57,734,716

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	4.00%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,309,389
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		$2,309,389
Less: 2005/2006 Board and System Administration expenses		-$2,168,473
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$140,916

School Jurisdiction Code: 4077

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance A gust 31, 2005 (Note 1)		Re-stated		$832,430
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$139,182	$63,632	$75,550	
Student fees (Non-Instructional) (Note 2)	$589,138	$0	$589,138	
Donations and grants to schools	$146,042	$0	$146,042	
Other (describe): Cafertia, Grad, Trips	$1,128,877	$881,762	$247,115	
Net Additions to SGF	$2,003,239	$945,394		$1,057,845
Net SGF Available for Spending				$1,890,275
Application of Net School Generated Funds:				
Extra-curricular activities			$179,335	
School site beautification			$24,600	
Field Trips			$322,847	
Equipment			$29,501	
Family literacy and other community resources			$1,199	
Other (describe): Supplies, Contracted Services, Resources			$350,490	
Net SGF Expended (Note 3)				$907,972
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$982,303

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 4077

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$336,363	$0	$50,017	$178,637	$565,017		$565,017
Uncertificated benefits	$0	$88,861	$0	$12,586	$40,771	$142,218		$142,218
Sub-total Remuneration	$0	$425,224	$0	$62,603	$219,408	$707,235		$707,235
Contracted Services	$1,488,970	$92,874	$0	$0	$23,173	$1,605,017		$1,605,017
Supplies	$71,979	$442,240	$0	$262,448	$0	$776,667		$776,667
Electricity			$543,555			$543,555		$543,555
Natural Gas/Heating Fuel			$598,264			$598,264		$598,264
Sewer and Water			$63,588			$63,588		$63,588
Telecommunications			$25,069			$25,069		$25,069
Insurance					$79,784	$79,784		$79,784
Amortization of capital assets								
Supported							$1,519,764	$1,519,764
Unsupported						$276,712		$276,712
Total Amortization						$276,712	$1,519,764	$1,796,476
Interest on capital debt								
Supported							$1,104,474	$1,104,474
Unsupported				$0		$12,558		$12,558
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,560,949	$960,338	$1,230,476	$325,051	$322,365	$4,688,449	$2,624,238	$7,312,687
SQUARE METRES								
School Buildings								74,794.1
Non School Buildings								3,866.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 4077

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Mr. Dave Caron	1.0	$9,818	$4,915	$0			$14,733	$7,649
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Mr. Gordon Boddez	1.0	$8,493	$4,707	$0			$13,200	$8,153
Name	Mr. Neill Fitzpatrick	1.0	$8,493	$4,696	$0			$13,189	$4,022
Name	Mrs. Jacquie Hansen	1.0	$8,493	$4,687	$0			$13,180	$12,914
Name	Ms. Leah Hogg	1.0	$8,493	$4,808	$0			$13,301	$7,365
Name	Mrs. Rosaleen McEvoy	1.0	$9,203	$4,939	$0			$14,142	$12,158
Name	Mrs. Cathy Proulx	1.0	$8,493	$4,859	$0			$13,352	$9,242
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$61,486*	*$33,611*	*$0*			*$95,097*	*$61,503*
Superintendent	Mr. Jerry Zimmer	1.0	$129,263	$11,411	$0	$0	$0	$140,674	$14,339
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Mr. Al Summers	1.0	$117,115	$19,775	$0	$0	$0	$136,890	$21,695
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		374.6	$28,807,527	$3,615,415	$0	$0	$0	$32,422,942	
Uncertificated Salaries & Wages		215.8	$7,769,140	$1,959,752	$0	$0	$0	$9,728,892	
TOTALS			**$36,884,531**	**$5,639,964**	**$0**	**$0**	**$0**	**$42,524,495**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 1220

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

High Prairie School Division #48
Legal Name of School Jurisdiction

Box 870, High Prairie, Alberta T0G 1E0
Mailing Address

780-523-3337 (voice) 780-523-4639 (fax)
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules High Prairie School Division #48
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Mrs. Joyce Dvornek	"ORIGINAL SIGNED"
Name	**Signature**

SUPERINTENDENT

Mr. Kenneth Riegel	"ORIGINAL SIGNED"
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Mr. Paul Burrows	"ORIGINAL SIGNED"
Name	**Signature**

15-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 1220

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MNP
MEYERS NORRIS PENNY LLP

Auditors' Report

To the Board of Trustees
High Prairie School Division No. 48

We have audited the statement of financial position of High Prairie School Division No. 48 as at August 31, 2006 and the statements of revenues and expenses, cash flow, capital allocations and changes in net assets for the year then ended. These financial statements are the responsibility of the School Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School Division as at August 31, 2006 and the results of its operations, capital allocations, cash flow and changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Meyers Norris Penny LLP
Chartered Accountants

Peace River, Alberta
October 26, 2006

School Jurisdiction Code: 1220

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$9,668,650	$8,250,427
Accounts receivable (net after allowances)		$1,060,453	$1,086,246
Prepaid expenses		$301,091	$322,291
Other current assets		$0	$0
Total current assets		$11,030,194	$9,658,964
School generated assets		$555,482	$535,430
Trust assets		$428,749	$466,820
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$4,113	$0
Buildings	$36,383,246		
Less: accumulated amortization	($16,068,789)	$20,314,457	$20,822,358
Equipment	$229,728		
Less: accumulated amortization	$0	$229,728	$0
Vehicles	$6,579,826		
Less: accumulated amortization	($3,690,960)	$2,888,866	$2,958,330
Total capital assets		$23,437,164	$23,780,688
TOTAL ASSETS		$35,451,589	$34,441,902
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$1,639,609	$1,337,796
Deferred revenue		$193,868	$389,392
Deferred capital allocations		$0	$251,410
Current portion of all long term debt		$471,120	$501,629
Total current liabilities		$2,304,597	$2,480,227
School generated liabilities		$555,482	$535,430
Trust liabilities		$428,749	$466,820
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$1,366,429	$1,830,593
Less: Current portion of supported debt		($464,164)	($464,164)
Unsupported: Debentures and Capital Loans		$0	$6,000
Capital Leases		$0	$0
Mortgages		$6,956	$38,420
Less: Current portion of unsupported debt		($6,956)	($37,465)
Other long term liabilities		$0	$0
Unamortized capital allocations		$18,392,802	$18,406,137
Total long term liabilities		$20,279,298	$20,781,771
TOTAL LIABILITIES		$22,583,895	$23,261,998
NET ASSETS			
Unrestricted net assets		$0	$0
Operating Reserves		$5,906,771	$5,083,256
Accumulated Operating Surplus (Deficit)		$5,906,771	$5,083,256
Investment in capital assets		$3,670,976	$3,499,536
Capital Reserves		$3,289,947	$2,597,112
Total Capital Funds		$6,960,923	$6,096,648
Total net assets		$12,867,694	$11,179,904
TOTAL LIABILITIES AND NET ASSETS		$35,451,589	$34,441,902

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 1220

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$31,385,850	$29,850,453	$29,877,798
Federal Government and/or First Nations	$2,168,285	$1,895,765	$2,112,146
Other Alberta school authorities	$318,899	$142,925	$238,881
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$663	$1,000	$1,193
Instruction resource fees	$245,885	$182,075	$218,244
Transportation fees	$197,044	$115,000	$153,524
Other sales and services	$358,394	$131,000	$253,417
Investment income	$345,204	$96,000	$215,729
Gifts and donations	$0	$0	$0
Rentals of facilities	$32,545	$27,238	$30,217
Net school generated funds	$289,730	$114,000	$216,087
Gains on disposal of capital assets	$43,161	$0	$12,259
Amortization of capital allocations	$902,178	$902,178	$919,814
Total Revenues	$36,287,838	$33,457,634	$34,249,309
EXPENSES			
Certificated salaries	$15,970,834	$15,358,014	$15,182,338
Certificated benefits	$1,875,605	$1,689,382	$1,730,794
Uncertificated salaries and wages	$6,267,138	$5,941,303	$6,377,857
Uncertificated benefits	$1,241,046	$1,301,247	$1,347,586
Services, contracts and supplies	$7,224,831	$7,329,211	$6,805,574
Net school generated funds	$289,730	$114,000	$216,087
Capital and debt services			
Amortization of capital assets			
Supported	$902,178	$902,178	$919,814
Unsupported	$647,500	$636,574	$591,669
Total Amortization of capital assets	$1,549,678	$1,538,752	$1,511,483
Interest on capital debt			
Supported	$177,868	$212,242	$232,250
Unsupported	$3,126	$6,052	$7,429
Total Interest on capital debt	$180,994	$218,294	$239,679
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$192	$0	$3,623
Total Expenses	$34,600,048	$33,490,203	$33,415,021
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$1,687,790	($32,569)	$834,288
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$1,687,790	($32,569)	$834,288

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 1220

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$1,687,790	$834,287
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($902,178)	($919,814)
Total amortization expense	$1,549,678	$1,511,483
Gains on disposal of capital assets	($43,161)	($12,259)
Losses on disposal of capital assets	$192	$3,623
Changes in accrued accounts:		
Accounts receivable	$25,793	($35,174)
Prepaids and other current assets	$21,200	($60,626)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$301,813	($365,701)
Deferred revenue	($195,524)	$269,246
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$2,445,603	$1,225,065
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	($4,113)	$0
Buildings	($424,680)	($447,100)
Equipment	($229,728)	$0
Vehicles	($588,301)	($706,456)
Net proceeds from disposal of capital assets	$83,637	$54,942
Other (describe)		$0
Total sources (uses) of cash from Investing activities	($1,163,185)	($1,098,614)
C. FINANCING ACTIVITIES		
Capital allocations	$173,270	$631,225
Issue of long term debt	$0	$0
Repayment of long term debt	($501,628)	($514,202)
Add back: supported portion	$464,163	$467,164
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$135,805	$584,187
Net sources (uses) of cash during year	$1,418,223	$710,638
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$8,250,427	$7,539,789
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$9,668,650	$8,250,427

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 1220

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$11,179,904	$3,499,536	$0	$7,680,368	$3,952,844	$14,734	$387,317	$600,749	$606,989	$130,045	$136,106	$1,851,584	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$11,179,904	$3,499,536	$0	$7,680,368	$3,952,844	$14,734	$387,317	$600,749	$606,989	$130,045	$136,106	$1,851,584	$0	$0
Excess(def) of revenue over expenses	$1,687,790		$1,687,790											
Board funded capital transactions		$822,142	$0	($822,142)	$0	($229,728)	$0	($130,411)	$0	($4,113)	$0	($457,890)	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,549,678)	$1,549,678											
Amortization of capital allocations		$902,178	($902,178)											
Disposal of unsupported capital assets	$0	($40,667)	($42,970)	$83,637		$0		$46,155		$0		$37,482		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$37,465	($37,465)											
Net transfers to operating reserves			($1,053,243)	$1,053,243	$626,877		$86,011		$246,093		$94,262		$0	
Net transfers from operating reserves			$229,728	($229,728)	($229,728)		$0		$0		$0		$0	
Net transfers to capital reserves			($1,431,340)	$1,431,340		$247,443		$314,133		$10,697		$859,067		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$12,867,694	$3,670,976	$0	$9,196,718	$4,349,993	$32,449	$473,328	$830,626	$853,082	$136,629	$230,368	$2,290,243	$0	$0

School Jurisdiction Code: 1220

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)

for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$251,410	$18,406,137
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$251,410	$18,406,137
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$0	
	Infrastructure & Transportation-School/Modular Project Capital *	$240,555	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		($67,285)	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$464,163
Expended capital allocations - current year		($424,680)	$424,680
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$902,178
Balance at August 31, 2006		$0	$18,392,802

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The School Division delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The Jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue recognition

Revenue is recognized as follows:

i) Instruction and support allocations are recognized in the year to which they relate.

ii) Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

iii) Capital allocations from the Province or other agencies are recorded as deferred capital contributions. Once spent, they are amortized to revenue on the same basis as the capital asset acquired by the grant.

iv) Unrestricted donations are recognized as revenue when received or receivable. Donations in kind are recorded at fair market value when reasonably determinable.

v) Volunteers assist schools operated by the School Division in carrying out certain activities. Because of the difficulty of determining the fair value of the services and due to the fact that such assistance is generally not purchased, contributed services are not recognized in the financial statements.

Inventories

Inventories are recorded at the lesser of cost and net realizable value.

Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

2. ACCOUNTING POLICIES (continued)

Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school related items that will be consumed subsequent to year-end and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

School generated funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

Capital assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	2.5% to 4%
Vehicles & Buses	10% to 20%
Equipment & Furnishings	10% to 20%

Only capital assets with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the High Prairie School Division No. 48 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of $164,910 (2005 - $147,620) for the Year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

Employee future benefits

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000/2001 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

2. ACCOUNTING POLICIES (continued)

Net investment in capital assets

Net investment in capital assets consists of an accumulation of amounts based on the following principles:

i) an amount equal to the capital assets funded from capital reserves and government grants;

ii) an amount equal to the principal repayments on long-term debt added to the equity in capital assets account in the year of repayment;

iii) an amount equal to the net book value of capital assets disposals deleted from the equity in capital assets account in the year of disposal;

iv) an amount equal to the depreciation on capital assets charged to the equity in capital assets account annually.

Operating and capital reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Financial instruments

The School Division's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the School Division is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these instruments approximates their carrying value.

Statement of cash flow

The statement of cash flow has been prepared using the indirect method.

3. ACCOUNTS RECEIVABLE

	2006	2005
Provincial government	$ 680,272	$ 904,040
Federal government	$ 73, 495	$ 107,396
Other	$ 173,953	$ 74,810
	$ 927,720	$1,086,246

4. SUPPORTED DEBENTURES RECEIVABLE

Included in accounts receivable are supported debentures receivable that consist of amounts receivable from the Province of Alberta for debentures repayments for items previously expensed.

5. CAPITAL ASSETS

	2006			2005
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Buildings	$ 36,383,246	$ 16,068,789	$ 20,314,457	$ 18,082,855
Land	$ 4,113	$ -	$ 4,113	$ -
Equipment	$ 229,728	$ -	$ 229,728	$ -
Vehicles	6,579,827	3,690,961	2,888,866	2,958,330
Construction in Progress	-	-	-	2,739,503
	$ 43,196,914	$ 19,759,750	$ 23,437,164	$ 23,780,688

6. DEFERRED REVENUE

	2006	2005
Class Size Initiative	-	74,616
Building Quality Restoration Program (BQRP)	143,451	87,718
AISI	30,417	74,058
High Speed Network	-	60,000
Textbook - Classroom Resources	-	75,000
ATA	20,000	-
Other	-	18,001
	$ 193,868	$ 389,392

7. LONG-TERM DEBT

	2006	2005
Debentures	$ 1,366,429	$ 1,836,593
Mortgage	6,956	38,420
Due within one year	(471,120)	(501,629)
	$ 902,265	$ 1,373,384

Debentures mature at various dates through November 15, 2013, bearing rates of interest from 6.875 percent to 12 percent. All debentures are supported as to principal and interest.

The mortgage matures on November 15, 2006, and it bears interest at 12 percent with annual principal and interest payments of $7,791.

7. LONG-TERM DEBT (CONTINUED)

Principal repayments required in each of the next five fiscal years are as follows:

	Principal	Interest	Total
2007	471,120	158,675	629,795
2008	403,686	103,438	507,124
2009	246,067	56,294	302,361
2010	140,549	28,064	168,613
2011	102,241	12,250	114,491
Thereafter	9,719	1,722	11,441
	$ 1,373,382	$ 360,443	$ 1,733,825

8. COMMITMENTS

Payments under operating equipment leases in each of the next five years are as follows:

2006	$ 97,279
2007	97,279
2008	97,279
2009	80,119
2010	47,767

9. RESERVES

Reserves created by authorization of the Board of Trustees represent funds allocated for future capital expenditures and future operating expenses. The reserves are established and expended in accordance with terms and conditions established by the Board.

	Balance Beginning of Year	Appropriated During the Year	Utilized During the Year	Balance End of Year
Operating	$ 5,083,256	$ 1,332,982	$ (509,467)	$ 5,906,771
Capital				
Land	$ 34,752	$ -	$ -	$ 34,752
Buildings	309,561	580,403	-	889,964
Equipment	36,041	-	-	36,041
Vehicles	2,216,758	129,304	(16,872)	2,329,190
	$ 2,597,112	$ 709,707	$ (16,872)	$ 3,289,947
	$ 7,680,368	$ 2,042,689	$ (526,339)	$ 9,196,718

9. RESERVES (CONTINUED)

The operating reserve balance is comprised of the following:

Specific school surplus (deficit)		
C. J. Schurter	$ 232,651	$ 241,501
Prairie River	27,181	134,824
Kinuso	301,519	335,059
Roland Michener	(1,228)	(13,111)
Lakeside	652,270	671,512
E. W. Pratt	18,004	92,040
H. P. Elementary	107,542	86,229
Joussard	153,791	135,288
Routhier	54,950	27,129
E. G. Wahlstrom	69,303	97,745
Joint fund	38,558	40,762
Prairie View Outreach	39,943	31,804
G. P. Vanier	(75,820)	159,689
	1,618,666	2,040,471
Administration	853,082	606,989
Technology	229,800	-
Maintenance	473,328	387,317
Transportation	230,368	136,106
General instruction	2,501,529	1,912,373
	$ 5,906,771	$ 5,083,256

10. EXTERNAL SERVICES

Included in the statement of revenues and expenses are the following amounts:

	2006	2005
Revenues		
Contracted Services	$ 195,784	$ 127,723
Bus Rental - Firefighting	72,762	14,157
Admin Fee	14,000	12,250
	$ 282,546	$ 154,130
Expenses		
Services, contracts & supplies	$ 262,105	$ 149,337
Salaries, wages and benefits	20,441	4,793
	$ 282,546	$ 154,130
	$ -	$ -

11. CAPITAL RECONCILIATION

TOTAL CAPITAL ASSETS	$ 23,437,164	
Deduct: Long term debt		
Supported	(1,366,429)	
Unsupported	(6,956)	
NET TOTAL		$ 22,063,779
UNAMORTIZED CAPITAL ALLOCATIONS	$ 18,392,802	
Add: Investment in Capital Assets	3,670,977	
NET TOTAL		$ 22,063,779
VARIANCE		$ -

12. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
2005-2006	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta:				
Education	125,770	-	30,945,519	-
Infrastructure	452,902	-	184,841	-
Finance	-	-	177,928	-
Health & Wellness	-	-	-	-
Human Resources/Employment	-	-	3,585	-
Other Gov't of Alberta departments	61,138	-	77,562	-
Other:				
Health authorities	-	-	-	-
Post-secondary institutions	-	-	-	-
Other Alberta school jurisdictions	175	-	318,999	-
Other related parties	-	-	-	-
Total 2005-2006	639,985	-	31,708,434	-

13. TRUST ASSETS AND LIABILITES

This balance represents cash that is held in trust by the jurisdiction as the banker board for SHIP. The balance at year end is $428,749 (2004-05 $466,820).

14. BUDGET AMOUNTS

The budget was prepared by the School Division's management with Board of Trustees' approval given on June 14, 2005. It is presented for information purposes only and has not been audited.

15. APPROVAL OF FINANCIAL STATEMENTS

The board of Trustees has approved these financial statements.

SCHEDULE A to the AFS

School Jurisdiction Cod 1220

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$30,945,519	$23,881,389	$2,844,128	$2,879,537	$1,326,465	$14,000
(2) **Alberta Infrastructure & Transportation**	$184,841	$0	$184,841			
(3) **Alberta Finance**	$177,928		$177,928			$0
(4) **Other - Government of Alberta**	$77,562	$0	$4,800	$0	$0	$72,762
(5) **Federal Government and/or First Nations**	$2,168,285	$1,819,857	$237,454	$0	$110,974	$0
(6) **Other Alberta school authorities**	$318,899	$300	$0	$122,815	$0	$195,784
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$663	$0	$0	$0	$663	$0
(9) **Instruction resource fees**	$245,885	$245,885				
(10) **Transportation fees**	$197,044			$197,044		
(11) **Other sales and services**	$358,394	$56,959	$138,403	$24,582	$138,450	$0
(12) **Investment income**	$345,204	$179,512	$41,423	$93,202	$31,067	$0
(13) **Gifts and donations**	$0			$0		$0
(14) **Rentals of facilities**	$32,545	$6,594	$25,951	$0	$0	$0
(15) **Net school generated funds**	$289,730	$289,730			$0	
(16) **Gains on disposal of capital assets**	$43,161	$0	$11,623	$31,538	$0	$0
(17) **Amortization of capital allocations**	$902,178	$0	$902,178	$0		$0
(18) **TOTAL REVENUES**	$36,287,838	$26,480,226	$4,568,729	$3,348,718	$1,607,619	$282,546
EXPENSES						
(19) **Certificated salaries**	$15,970,834	$15,581,653			$389,181	$0
(20) **Certificated benefits**	$1,875,605	$1,843,706			$31,899	$0
(21) **Uncertificated salaries and wages**	$6,267,138	$3,815,447	$571,152	$1,410,024	$451,519	$18,996
(22) **Uncertificated benefits**	$1,241,046	$775,892	$136,686	$217,272	$109,751	$1,445
(23) **SUB - TOTAL**	$25,354,623	$22,016,698	$707,838	$1,627,296	$982,350	$20,441
(24) **Services, contracts & supplies**	$7,224,831	$3,529,206	$2,369,078	$730,060	$334,382	$262,105
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$289,730	$289,730				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$902,178	$0	$902,178	$0	$0	$0
(28) Unsupported	$647,500	$17,715	$64,133	$559,068	$6,584	$0
(29) Total Amortization	$1,549,678	$17,715	$966,311	$559,068	$6,584	$0
Interest on capital debt						
(30) Supported	$177,868	$0	$177,868	$0	$0	$0
(31) Unsupported	$3,126	$0	$0	$494	$2,632	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$192	$0	$0	$192	$0	$0
(34) **TOTAL EXPENSES**	$34,600,048	$25,853,349	$4,221,095	$2,917,110	$1,325,948	$282,546
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$1,687,790	$626,877	$347,634	$431,608	$281,671	$0

School Jurisdiction Code: 1220

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$552,048
Base Instruction (Gr 1-12)	$15,234,599
Outreach Programs	$156,060
Home Education	$6,360
Differential Cost Funding *	$12,673,244
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$0
Provincial Priority Targeted Funding	
Class Size Initiative	$787,678
Student Health Initiative (SHI)	$686,821
Alberta Initiative for School Improvement (AISI)	$470,392
High Speed Networking	$85,996
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$96,900
Other Alberta Education Revenues (describe): 1X grants-irdc credit-video confer-spec ed staff reimbursement	$195,421
Total Alberta Education Revenues	$30,945,519

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 1220

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,560,390	$993,512	$21,187		$0	$0	$2,575,089
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$635,560	$384,284	$0		$0		$1,019,844
ECS Program Unit (PUF)	$38,811	$302,993	$158,958		$0		$500,762
Severe Disabilities (Gr 1-12)	$655,469	$1,819,777	$137,213		$0		$2,612,459
English as a Second Language	$0	$0	$0		$0		$0
French Language Program & Francisation (all jurisdictions)	$0	$18,480	$14,900		$0		$33,380
First Nations, Metis and Inuit Education (ECS - Gr 12)	$169,673	$246,873	$182,193		$0		$598,739
Home Education	$0	$0	$6,360		$0		$6,360
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$280,933	$0	$136,166	$53,293	$0		$470,392
Student Health Initiative	$0	$397,645	$289,176		$0		$686,821
High Speed Networking			$89,260		$0		$89,260
Class Size	$800,093	$0	$0	$0	$0		$800,093
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$13,284,430	$427,775	$2,185,981	$254,519	$0	$301,445	$16,460,150
TOTAL EXPENSES	$17,425,359	$4,591,339	$3,221,394	$307,812	$0	$301,445	$25,853,349

FULL-TIME-EQUIVALENCIES(Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	8.8	15.9
ECS Program Unit (PUF)	0.3	18.0
Severe Disabilities (Gr 1-12)	9.3	76.0

Note:
1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.
2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 1220

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$34,600,048**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**5.38%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,861,483
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,861,483**
Less: 2005/2006 Board and System Administration expenses		-$1,325,948
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$535,535

School Jurisdiction Code: 1220

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$535,430
Source of Net School Generated Funds:				
Fundraising activities	$690,671	$419,325	$271,346	
Student fees (Non-Instructional) (Note 2)	$96,373	$69,065	$27,308	
Donations and grants to schools	$16,062	$0	$16,062	
Other (describe):	$0	$4,933	($4,933)	
Net Additions to SGF	$803,106	$493,324		$309,782
Net SGF Available for Spending				$845,212
Application of Net School Generated Funds:				
Extra-curricular activities			$144,865	
School site beautification			$0	
Field Trips			$110,097	
Equipment			$28,973	
Family literacy and other community resources			$0	
Other (describe):			$5,795	
Net SGF Expended (Note 3)				$289,730
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$555,482

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1220

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$294,736	$0	$90,863	$185,553	$571,152		$571,152
Uncertificated benefits	$0	$76,983	$0	$19,945	$39,758	$136,686		$136,686
Sub-total Remuneration	$0	$371,719	$0	$110,808	$225,311	$707,838		$707,838
Contracted Services	$616,681	$302,131	$0	$138,831	$33,883	$1,091,526		$1,091,526
Supplies	$48,443	$467,970	$0	$32,102	$1,404	$549,919		$549,919
Electricity			$254,568			$254,568		$254,568
Natural Gas/Heating Fuel			$316,532			$316,532		$316,532
Sewer and Water			$48,538			$48,538		$48,538
Telecommunications			$7,478			$7,478		$7,478
Insurance					$100,517	$100,517		$100,517
Amortization of capital assets								
Supported							$902,178	$902,178
Unsupported						$64,133		$64,133
Total Amortization						$64,133	$902,178	$966,311
Interest on capital debt								
Supported							$177,868	$177,868
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$665,124	$1,141,820	$627,116	$281,741	$361,115	$3,141,049	$1,080,046	$4,221,095
SQUARE METRES								
School Buildings								46,494.4
Non School Buildings								2,159.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 1220

SCHEDULE G to the AFS

DISCLOSURE OF SALARIES AND BENEFITS - 2005-200

(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Joyce Dvornek	1.0	$15,420	$4,086	$0			$19,506	$5,758
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Neil Deas	1.0	$5,707	$1,272	$0			$6,979	$661
Name	Marilyn Willier	1.0	$2,284	$779	$0			$3,063	$822
Name	Linda Duchesneau	1.0	$6,035	$3,820	$0			$9,855	$2,606
Name	Roger Blanchette	1.0	$2,853	$3,746	$0			$6,599	$952
Name	Karin Scholl	1.0	$6,851	$3,815	$0			$10,666	$2,628
Name	Rick Neidig	1.0	$3,754	$94	$0			$3,848	$1,348
Name	Lenny Richer	0.3	$1,464	$674	$0			$2,138	$189
Name	Duncan Fisk	0.6	$2,530	$701	$0			$3,231	$1,124
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.8*	*$46,898*	*$18,987*	*$0*			*$65,885*	*$16,088*
Superintendent	Kenneth Riegel	1.0	$131,124	$10,449	$0	$0	$0	$141,573	$16,118
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary	Raymonde Lussier	1.0	$92,751	$18,043	$0	$0	$0	$110,794	$7,687
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer	Paul Burrows	1.0	$92,751	$18,043	$0	$0	$0	$110,794	$4,205
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		217.0	$15,839,710	$1,865,156	$0	$0	$0	$17,704,866	
Uncertificated Salaries & Wages		221.5	$6,034,738	$1,185,973	$0	$0	$0	$7,220,711	
TOTALS			**$22,237,972**	**$3,116,651**	**$0**	**$0**	**$0**	**$25,354,623**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 21

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Holy Family Catholic Regional Division No. 37
Legal Name of School Jurisdiction

10307- 99 Street, Peace River, Alberta T8S 1R5
Mailing Address

(780) 624-3956 (780) 624-1154
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Holy Family Catholic Regional Division No. 37
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

David William Mitchell "Original Signed"
Name **Signature**

SUPERINTENDENT

Rick Berry "Original Signed"
Name **Signature**

SECRETARY TREASURER OR TREASURER

Helen Diaz "Original Signed"
Name **Signature**

November 29, 2006
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 21

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MNP

MEYERS NORRIS PENNY LLP

Auditors' Report

To the Board of Trustees of the
Holy Family Catholic Regional Division No. 37

We have audited the statement of financial position of the Holy Family Catholic Regional Division No. 37 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2006 and the results of its operations and changes in its cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A to G1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Peace River, Alberta
November 10, 2006

Meyers Norris Penny LLP
Chartered Accountants

School Jurisdiction Code: 21

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$7,071,015	$8,948,139
Accounts receivable (net after allowances)		$1,368,440	$1,170,165
Prepaid expenses		$125,650	$148,080
Other current assets		$1,586	$1,487
Total current assets		$8,566,691	$10,267,871
School generated assets		$296,577	$252,524
Trust assets		$39,730	$117,151
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$965,754	$965,754
Buildings	$37,983,968		
Less: accumulated amortization	($16,570,865)	$21,413,103	$15,219,906
Equipment	$2,883,755		
Less: accumulated amortization	($1,909,888)	$973,867	$791,347
Vehicles	$543,014		
Less: accumulated amortization	($147,386)	$395,628	$469,694
Total capital assets		$23,748,352	$17,446,701
TOTAL ASSETS		$32,651,350	$28,084,247
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$2,486,779	$1,263,566
Deferred revenue		$26,879	$340,427
Deferred capital allocations		$0	$3,471,325
Current portion of all long term debt		$653,758	$672,738
Total current liabilities		$3,167,416	$5,748,056
School generated liabilities		$296,577	$252,524
Trust liabilities		$39,730	$117,151
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$3,736,042	$4,408,780
	Less: Current portion of supported debt	($653,758)	($672,738)
Unsupported:	Debentures and Capital Loans	$0	$0
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$17,824,278	$10,853,592
Total long term liabilities		$21,242,869	$14,959,309
TOTAL LIABILITIES		$24,410,285	$20,707,365
NET ASSETS			
Unrestricted net assets		$241,020	$241,020
Operating Reserves		$4,477,569	$3,775,623
Accumulated Operating Surplus (Deficit)		$4,718,589	$4,016,643
Investment in capital assets		$2,188,030	$2,184,329
Capital Reserves		$1,334,446	$1,175,910
Total Capital Funds		$3,522,476	$3,360,239
Total net assets		$8,241,065	$7,376,882
TOTAL LIABILITIES AND NET ASSETS		$32,651,350	$28,084,247

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements

School Jurisdiction Code: 21

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$19,179,999	$18,717,414	$18,367,226
Federal Government and/or First Nations	$2,180,253	$1,621,003	$1,909,060
Other Alberta school authorities	$128,498	$77,000	$161,441
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$47,883	$49,335	$52,118
Transportation fees	$0	$0	$0
Other sales and services	$79,446	$23,000	$50,884
Investment income	$267,969	$61,640	$151,979
Gifts and donations	$63,132	$0	$15,278
Rentals of facilities	$13,474	$17,578	$22,607
Net school generated funds	$505,272	$300,000	$303,495
Gains on disposal of capital assets	$3,250	$0	$19,867
Amortization of capital allocations	$916,365	$994,995	$916,365
Total Revenues	$23,385,541	$21,861,965	$21,970,320
EXPENSES			
Certificated salaries	$10,666,546	$10,272,164	$10,246,647
Certificated benefits	$1,181,899	$1,584,641	$1,060,586
Uncertificated salaries and wages	$3,531,248	$3,434,506	$3,310,795
Uncertificated benefits	$715,660	$708,627	$633,159
Services, contracts and supplies	$4,181,126	$4,851,522	$3,660,726
Net school generated funds	$505,272	$300,000	$303,495
Capital and debt services			
Amortization of capital assets			
Supported	$916,366	$994,995	$916,366
Unsupported	$335,676	$332,273	$316,871
Total Amortization of capital assets	$1,252,042	$1,327,268	$1,233,237
Interest on capital debt			
Supported	$482,310	$513,544	$559,347
Unsupported	$0	$0	$0
Total Interest on capital debt	$482,310	$513,544	$559,347
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$5,255	$0	$0
Total Expenses	$22,521,358	$22,992,272	$21,007,992
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$864,183	($1,130,307)	$962,328
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$864,183	($1,130,307)	$962,328

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$864,183	$962,328
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($916,365)	($916,365)
Total amortization expense	$1,252,042	$1,233,237
Gains on disposal of capital assets	($3,250)	($19,867)
Losses on disposal of capital assets	$5,255	$0
Changes in accrued accounts:		
Accounts receivable	($198,275)	$140,775
Prepaids and other current assets	$22,331	($20,955)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$1,223,213	($203,709)
Deferred revenue	($313,548)	$145,564
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$1,935,586	$1,321,008
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($7,126,152)	($955,778)
Equipment	($439,952)	($168,949)
Vehicles	($40,000)	($348,076)
Net proceeds from disposal of capital assets	$50,406	$32,000
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($7,555,698)	($1,440,803)
C. FINANCING ACTIVITIES		
Capital allocations	$3,742,988	$4,392,064
Issue of long term debt	$0	$0
Repayment of long term debt	($672,738)	($703,891)
Add back: supported portion	$672,738	$703,890
Other (describe)		$0
Total sources (uses) of cash from Financing activities	$3,742,988	$4,392,063
Net sources (uses) of cash during year	($1,877,124)	$4,272,268
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$8,948,139	$4,675,871
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$7,071,015	$8,948,139

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 21

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$7,376,882	$2,184,329	$241,020	$4,951,533	$2,800,491	$401,280	$197,349	$79,066	$479,441	$382,696	$298,342	$0	$0	$312,868
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$7,376,882	$2,184,329	$241,020	$4,951,533	$2,800,491	$401,280	$197,349	$79,066	$479,441	$382,696	$298,342	$0	$0	$312,868
Excess(def) of revenue over expenses	$864,183		$864,183											
Board funded capital transactions		$391,790	$0	($391,790)	($216,573)	($40,000)	($135,217)	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,252,042)	$1,252,042											
Amortization of capital allocations		$916,365	($916,365)											
Disposal of unsupported capital assets	$0	($52,412)	$0	$52,412		$52,412		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($1,053,736)	$1,053,736	$235,276		$775,064		$0		$43,396		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			($146,124)	$146,124		$81,310		$8,760		$24,237		$0		$31,817
Net transfers from capital reserves			$0	$0				$0		$0		$0		$0
Balance at August 31, 2006	$8,241,065	$2,188,030	$241,020	$5,812,015	$2,819,194	$495,002	$837,196	$87,826	$479,441	$406,933	$341,738	$0	$0	$344,685

School Jurisdiction Code: 21

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$3,471,325	$10,853,592
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$3,471,325	$10,853,592
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$3,687,124	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$55,864	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$672,738
Expended capital allocations - current year	($7,214,313)	$7,214,313
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$916,365
Balance at August 31, 2006	$0	$17,824,278

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Authority and Purpose

The School Division delivers education programs under the authority of the School Act, Revised Statutes of Alberta, 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Education for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Cash and cash equivalents
Cash and cash equivalents include cash on hand and balances on deposit with banks.

Prepaid Expenses
Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

Revenue Recognition
Revenue is recognized as follows:

1. Instruction and support allocations are recognized in the year to which they relate.
2. Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.
3. Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to the unamortized capital allocation balance and are recognized as revenue in the periods in which the amortization expense for these capital assets is recorded. Amounts invested in unamortized capital assets are recorded as direct increases in net assets.
4. Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.
5. Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received.

2. Summary of Significant Accounting Policies *(continued from previous page)*

Capital Assets

Capital assets are recorded at cost. Items costing less than $5,000 are expensed when purchased. Capital assets are amortized on a straight- line basis over the assets' estimated useful life as follows:

Vehicles	5 to 10 years
Buildings	10 to 40 years
Furniture and equipment	5 to 20 years

School generated funds

Funds generated from school-based activities are included as assets, liabilities, revenues and expenses of the school jurisdiction because the accountability and control/ownership of these funds rests with school jurisdiction officials or their appointees. These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g yearbook sales, graduation fees, field trips, etc.).

Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

Contributed services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximates their carrying values.

Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2006, there is no financial impact on the jurisdiction.

2. Summary of Significant Accounting Policies *(continued from previous page)*

Pension obligation

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the HFCRD #37 School Division does not make pension contributions for certificate staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $87,644 (2005 - $79,151) for the Year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 - deficiency of $1,288,924,000).

3. Accounts Receivable

	2006	2005
Province of Alberta	**647,932**	526,188
Federal Government and First Nations	**27,101**	33,381
Alberta Municipalities	**429,446**	386,060
Other Alberta School Jurisdictions	**1,699**	-
Other	**262,262**	224,536
	1,368,440	1,170,165

4. Capital Assets

			2006	2005
	Cost	Accumulated Depreciation	**Net Book Value**	Net Book Value
Land	965,754	-	**965,754**	965,754
Buildings	37,983,968	16,570,865	**21,413,103**	15,219,906
Vehicles	543,014	147,386	**395,628**	469,694
Furniture and equipment	2,883,755	1,909,888	**973,867**	791,347
	42,376,491	18,628,139	**23,748,352**	17,446,701

5. Accounts Payable and Accrued Liabilities

	2006	2005
Alberta Education	**361,340**	357,389
Alberta Finance	**210,927**	245,255
Other trade payables and accrued liabilities	**1,914,512**	660,922
	2,486,779	1,263,566

6. **Deferred Revenue**	**2006**	2005
AB infrastructure	-	153,756
AB Initiative for School Improvement	**10,234**	71,602
AB Education Plant Operation & Maintenance	-	81,037
Other	**16,645**	34,032
	26,879	340,427

7. **Trust Assets and Liabilities**	**2006**	2004
Deferred salary leave plan	**29,338**	104,977
Charitable donation fund	**10,392**	7,947
Alternative French Initiative (Banker Board)	-	4,227
	39,730	117,151

8. **Long-term Debt**	**2006**	2005
Debentures, with interest ranging from 8.75% to 12.00%, repayable in annual blended payments of $742,158, maturing from 2007 to 2017.	**3,736,042**	4,408,780
Less: current portion	**653,758**	672,738
	3,082,284	3,736,042

Principal repayments over the next five fiscal years are as follows:

2007	$	**653,758**
2008		**648,846**
2009		**626,117**
2010		**472,537**
2011		**356,749**
2012 to maturity		**978,035**

9. Deferred Capital Allocations

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

10. Unamortized Capital Allocations

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid.

11. Related Party Transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Holy Family Catholic Regional Division No. 37 had related party transactions for the year ended August 31, 2006 with the Alberta Government recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at amount of consideration agreed upon between the related parties.

	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Government of Alberta:				
Education	234,507	371,574	18,447,839	-
Infrastructure and Transportation	409,625	-	191,915	-
Finance	-	210,927	482,310	482,310
Human Resources/Employment	3,800	-	-	-
Other Gov't of Alberta departments	-	-	100	-
Other:				
Health Authorities	-	-	-	9,869
Northwest AB Child and Family Services	-	16,404	57,835	-
Other Alberta School Jurisdiction	1,699	-	128,498	87,784
Total 2005-2006	**649,631**	**598,905**	**19,308,497**	**579,963**
Total 2004-2005	771,443	907,827	18,528,867	662,480

12. Economic Dependence on Related Third Party

The School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

13. Budget Amounts

The budget was prepared by the School jurisdiction management with Board of Trustees approval. It is presented for information purposes only and has not been audited.

14. Approval of Financial Statements

These financial statements were approved by management.

SCHEDULE A to the AFS

School Jurisdiction Cod 21

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$18,447,839	$15,113,034	$2,289,227	$206,450	$839,128	$0
(2) **Alberta Infrastructure & Transportation**	$191,915	$0	$191,915			
(3) **Alberta Finance**	$482,310		$482,310			$0
(4) **Other - Government of Alberta**	$57,935	$100	$0	$0	$0	$57,835
(5) **Federal Government and/or First Nations**	$2,180,253	$1,864,264	$198,613	$0	$117,376	$0
(6) **Other Alberta school authorities**	$128,498	$3,150	$1	$97,063	$0	$28,284
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$47,883	$47,883				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$79,446	$49,453	$20,756	$0	$7,230	$2,007
(12) **Investment income**	$267,969	$193,067	$58,824	$0	$16,078	$0
(13) **Gifts and donations**	$63,132	$63,078	$0	$0		$54
(14) **Rentals of facilities**	$13,474	$0	$2,315	$0	$755	$10,404
(15) **Net school generated funds**	$505,272	$505,272			$0	
(16) **Gains on disposal of capital assets**	$3,250	$3,250	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$916,365	$0	$916,365	$0		$0
(18) **TOTAL REVENUES**	$23,385,541	$17,842,551	$4,160,326	$303,513	$980,567	$98,584
EXPENSES						
(19) **Certificated salaries**	$10,666,546	$10,468,767			$197,779	$0
(20) **Certificated benefits**	$1,181,899	$1,164,440			$17,459	$0
(21) **Uncertificated salaries and wages**	$3,531,248	$2,673,465	$425,548	$24,116	$371,075	$37,044
(22) **Uncertificated benefits**	$715,660	$537,738	$90,001	$5,103	$77,600	$5,218
(23) **SUB - TOTAL**	$16,095,353	$14,844,410	$515,549	$29,219	$663,913	$42,262
(24) **Services, contracts & supplies**	$4,181,126	$2,112,648	$1,462,278	$280,499	$224,567	$101,134
(25) **Cost recoveries between programs**	$0	$58,380	$0	($49,601)	$67,850	($76,629)
(26) **Net school generated funds**	$505,272	$505,272				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$916,366	$0	$916,366	$0	$0	$0
(28) Unsupported	$335,676	$192,338	$87,284	$0	$24,237	$31,817
(29) Total Amortization	$1,252,042	$192,338	$1,003,650	$0	$24,237	$31,817
Interest on capital debt						
(30) Supported	$482,310	$0	$482,310	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$5,255	$5,255	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$22,521,358	$17,718,303	$3,463,787	$260,117	$980,567	$98,584
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$864,183	$124,248	$696,539	$43,396	$0	$0

School Jurisdiction Code: 21

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$307,824
Base Instruction (Gr 1-12)	$9,435,822
Outreach Programs	$0
Home Education	$3,816
Differential Cost Funding *	$7,662,786
Other Provincial Support	
Institutional Programs	$152,597
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$23,632
Provincial Priority Targeted Funding	
Class Size Initiative	$313,759
Student Health Initiative (SHI)	$6,194
Alberta Initiative for School Improvement (AISI)	$334,932
High Speed Networking	$63,971
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$141,155
Other Alberta Education Revenues (describe): Alternative French Initiative Grant	$1,351
Total Alberta Education Revenues	$18,447,839

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 21

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$823,615	$647,053	$166,204		$0	$0	$1,636,872
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$901,246	$291,248	$43,018		$0		$1,235,512
ECS Program Unit (PUF)	$0	$143,543	$49,333		$0		$192,876
Severe Disabilities (Gr 1-12)	$854,470	$1,207,667	$221,822		$0		$2,283,959
English as a Second Language	$18,927	$3,579	$0		$0		$22,506
French Language Program & Francisation (all jurisdictions)	$647,508	$73,268	$5,743		$0		$726,519
First Nations, Metis and Inuit Education (ECS - Gr 12)	$164,545	$287,573	$70,629		$0		$522,747
Home Education	$0	$0	$5,581		$0		$5,581
Institutional Programs	$151,733	$20,862	$25,480		$0		$198,075
Alberta Initiative for School Improvement	$187,127	$13,014	$110,547	$24,344	$0		$335,032
Student Health Initiative	$0	$6,194	$0		$0		$6,194
High Speed Networking			$48,445		$9,795		$58,240
Class Size	$313,759	$0	$0	$0	$0		$313,759
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$7,570,277	$517,202	$1,109,989	$231,513	$48,585	$702,865	$10,180,431
TOTAL EXPENSES	$11,633,207	$3,211,203	$1,856,791	$255,857	$58,380	$702,865	$17,718,303

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	11.6	12.5
ECS Program Unit (PUF)	0.0	6.0
Severe Disabilities (Gr 1-12)	10.6	44.1

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 21

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	**$22,521,358**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**5.94%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,337,769
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	1,920	
	$416,160	$1,337,769
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,337,769**
Less: 2005/2006 Board and System Administration expenses		-$980,567
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$357,202

School Jurisdiction Code: 21

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$252,524
Source of Net School Generated Funds:				
Fundraising activities	$294,444	$176,914	$117,530	
Student fees (Non-Instructional) (Note 2)	$79,300	$0	$79,300	
Donations and grants to schools	$77,265	$0	$77,265	
Other (describe): Travel Club/ Parent School Council Fundrais	$131,529	$40,559	$90,970	
Net Additions to SGF	$582,538	$217,473		$365,065
Net SGF Available for Spending				$617,589
Application of Net School Generated Funds:				
Extra-curricular activities			$161,072	
School site beautification			$10,373	
Field Trips			$27,784	
Equipment			$17,103	
Family literacy and other community resources			$8,723	
Other (describe): Travel Club/Parent School Council Projects			$95,957	
Net SGF Expended (Note 3)				$321,012
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$296,577

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 21

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$290,972	$68,990	$0	$0	$65,586	$425,548		$425,548
Uncertificated benefits	$67,541	$9,267	$0	$0	$13,193	$90,001		$90,001
Sub-total Remuneration	$358,513	$78,257	$0	$0	$78,779	$515,549		$515,549
Contracted Services	$170,768	$396,245	$0	$265,957	$8,478	$841,448		$841,448
Supplies	$86,446	$8,954	$0	$0	$2,155	$97,555		$97,555
Electricity			$217,143			$217,143		$217,143
Natural Gas/Heating Fuel			$200,228			$200,228		$200,228
Sewer and Water			$58,754			$58,754		$58,754
Telecommunications			$1,267			$1,267		$1,267
Insurance					$45,883	$45,883		$45,883
Amortization of capital assets								
Supported							$916,366	$916,366
Unsupported						$87,284		$87,284
Total Amortization						$87,284	$916,366	$1,003,650
Interest on capital debt								
Supported							$482,310	$482,310
Unsupported								$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$615,727	$483,456	$477,392	$265,957	$135,295	$2,065,111	$1,398,676	$3,463,787
SQUARE METRES								
School Buildings								34,400.4
Non School Buildings								1,705.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facity planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 21

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	David William Mitchell	1.0	$20,395	$43	$0			$20,438	$11,603
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Debbie Gour	1.0	$6,923	$120	$0			$7,043	$5,170
Name	Ann Martfeld	1.0	$3,248	$37	$0			$3,285	$3,079
Name	Beatrice Wright	1.0	$6,400	$106	$0			$6,506	$4,369
Name	Denise Valiquette	1.0	$5,772	$94	$0			$5,866	$4,691
Name	Dianne Lavoie	1.0	$4,697	$82	$0			$4,779	$4,266
Name	George Ostermeier	1.0	$7,440	$72	$0			$7,512	$5,507
Name	Louise Stokes	1.0	$3,680	$37	$0			$3,717	$1,891
Name	Rene Lanctot	1.0	$5,295	$68	$0			$5,363	$8,109
Name	Jean-Luc Dube	0.3	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		9.3	*$63,850*	*$659*	*$0*			*$64,509*	*$48,685*
Superintendent	Rick Berry	1.0	$125,609	$10,487	$0	$0	$0	$136,096	$16,937
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Helen Diaz	0.3	$26,574	$6,168	$0	$0	$0	$32,742	$1,512
Board Secretary	Ian Becker	0.6	$46,476	$11,963	$0	$0	$0	$58,439	$2,383
Board Secretary	Wayne Doll	0.2	$20,757	$1,752	$0	$0	$0	$22,509	$388
Board Treasurer	Helen Diaz	0.7	$55,766	$9,860	$0	$0	$0	$65,626	$3,529
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		148.8	$10,507,864	$1,171,412	$0	$0	$33,073	$11,712,349	
Uncertificated Salaries & Wages		124.2	$3,317,825	$685,258	$0	$0	$0	$4,003,083	
TOTALS			**$14,164,721**	**$1,897,559**	**$0**	**$0**	**$33,073**	**$16,095,353**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 4481

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Holy Spirit Roman Catholic Separate Regional Division # 4
Legal Name of School Jurisdiction

620 12 Street "B" North Lethbridge, AB T1J 3E7
Mailing Address

Telephone: 403-327-9555 Fax :403-327-9595
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Holy Spirit Roman Catholic Separate Regional Division # 4
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Mr Kenneth Tratch	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT

Mr David Keohane	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER

Mr Victor Pirie	"ORIGINAL SIGNED"
Name	Signature

29-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 4481

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Young Parkyn McNab LLP
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Board of Trustees of the
Holy Spirit Roman Catholic Separate Regional Division No. 4

We have audited the statement of financial position of the Holy Spirit Roman Catholic Separate Regional Division No. 4 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Young Parkyn McNab LLP

Lethbridge, Alberta

November 13, 2006

Chartered Accountants

School Jurisdiction Code: 4481

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$338,966	$0
Accounts receivable (net after allowances)		$1,332,940	$2,180,674
Prepaid expenses		$73,604	$63,184
Other current assets		$15,816	$15,815
Total current assets		$1,761,326	$2,259,673
School generated assets		$1,548,902	$1,008,071
Trust assets		$428,385	$316,627
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$837,612	$837,612
Buildings	$55,370,925		
Less: accumulated amortization	($14,917,719)	$40,453,206	$37,023,896
Equipment	$1,973,300		
Less: accumulated amortization	($1,638,358)	$334,942	$302,883
Vehicles	$143,780		
Less: accumulated amortization	($84,346)	$59,434	$73,812
Total capital assets		$41,685,194	$38,238,203
TOTAL ASSETS		$45,423,807	$41,822,574
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$1,475,711
Accounts payable and accrued liabilities		$1,214,938	$806,483
Deferred revenue		$171,286	$366,186
Deferred capital allocations		$1,645,600	$381,348
Current portion of all long term debt		$476,604	$592,876
Total current liabilities		$3,508,428	$3,622,604
School generated liabilities		$1,548,902	$1,008,071
Trust liabilities		$428,385	$316,627
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$2,408,676	$3,001,552
Less: Current portion of supported debt		($476,604)	($592,876)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$35,113,371	$31,220,949
Total long term liabilities		$39,022,730	$34,954,323
TOTAL LIABILITIES		$42,531,158	$38,576,927
NET ASSETS			
Unrestricted net assets		$0	$0
Operating Reserves		$115,468	$643,448
Accumulated Operating Surplus (Deficit)		$115,468	$643,448
Investment in capital assets		$2,673,598	$2,498,616
Capital Reserves		$103,583	$103,583
Total Capital Funds		$2,777,181	$2,602,199
Total net assets		$2,892,649	$3,245,647
TOTAL LIABILITIES AND NET ASSETS		$45,423,807	$41,822,574

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statement

School Jurisdiction Code: 4481

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$34,328,413	$31,844,549	$32,647,707
Federal Government and/or First Nations	$1,290,183	$1,274,860	$1,482,279
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$217,710	$164,623	$219,193
Transportation fees	$0	$0	$0
Other sales and services	$191,741	$251,892	$59,682
Investment income	$0	$35,525	$11,958
Gifts and donations	$3,716	$0	$0
Rentals of facilities	$0	$0	$0
Net school generated funds	$712,589	$685,750	$767,427
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$757,718	$1,056,798	$757,718
Total Revenues	$37,502,070	$35,313,997	$35,945,964
EXPENSES			
Certificated salaries	$19,047,562	$18,259,374	$18,490,565
Certificated benefits	$2,109,700	$2,179,544	$2,217,600
Uncertificated salaries and wages	$6,891,723	$6,232,518	$6,325,801
Uncertificated benefits	$1,825,239	$1,292,146	$1,379,729
Services, contracts and supplies	$6,106,873	$5,217,280	$6,199,201
Net school generated funds	$712,589	$685,750	$767,427
Capital and debt services			
Amortization of capital assets			
Supported	$757,718	$1,056,798	$757,718
Unsupported	$137,458	$104,471	$138,309
Total Amortization of capital assets	$895,176	$1,161,269	$896,027
Interest on capital debt			
Supported	$258,037	$293,333	$327,290
Unsupported	$0	$0	$0
Total Interest on capital debt	$258,037	$293,333	$327,290
Other interest charges	$4,224	$0	$0
Losses on disposal of capital assets	$3,943	$0	$0
Total Expenses	$37,855,066	$35,321,214	$36,603,640
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	($352,996)	($7,217)	($657,676)
Extraordinary Item		$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	($352,996)	($7,217)	($657,676)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 4481

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	($352,996)	($657,676)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($757,718)	($757,718)
Total amortization expense	$895,176	$896,027
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$3,943	$0
Changes in accrued accounts:		
Accounts receivable	$847,734	$2,597,450
Prepaids and other current assets	($10,421)	$63,813
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$408,455	($917,907)
Deferred revenue	($194,900)	($371,872)
Employee future benefit expense (recovery)	$0	$0
Other (describe)		$0
Total sources (uses) of cash from Operations	$839,273	$852,117
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($4,220,258)	($3,354,166)
Equipment	($142,154)	($87,943)
Vehicles	$0	($21,674)
Net proceeds from disposal of capital assets	$16,300	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($4,346,112)	($3,463,783)
C. FINANCING ACTIVITIES		
Capital allocations	$5,321,517	$1,677,399
Issue of long term debt	$0	$0
Repayment of long term debt	($592,876)	($695,626)
Add back: supported portion	$592,875	$695,626
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$5,321,516	$1,677,399
Net sources (uses) of cash during year	$1,814,677	($934,267)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	($1,475,711)	($541,444)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$338,966	($1,475,711)

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 4481

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$3,245,647	$2,498,616	$0	$747,031	$229,070	$103,583	$63,049	$0	$105,601	$0	$245,728	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$3,245,647	$2,498,616	$0	$747,031	$229,070	$103,583	$63,049	$0	$105,601	$0	$245,728	$0	$0	$0
Excess(def) of revenue over expenses	($352,996)		($352,996)											
Board funded capital transactions		$316,386	($189,641)	($126,745)	($104,243)	$0	($8,068)	$0	($14,434)	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($895,176)	$895,176											
Amortization of capital allocations		$757,718	($757,718)											
Disposal of unsupported capital assets		($3,946)	$3,943	$0				$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0				$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($919,985)	$919,985	$523,563		$279,716		$70,399		$46,307		$0	
Net transfers from operating reserves			$1,321,220	($1,321,220)	($648,390)		($219,229)		($161,566)		($292,035)		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0				$0		$0		$0		$0
Balance at August 31, 2006	$2,892,652	$2,673,598	$0	$219,051	$0	$103,583	$115,468	$0	$0	$0	$0	$0	$0	$0

School Jurisdiction Code: 4481

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$381,348	$31,220,949
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$381,348	$31,220,949
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$5,276,020	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$45,497	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$592,875
Expended capital allocations - current year	($4,057,265)	$4,057,265
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$757,718
Balance at August 31, 2006	$1,645,600	$35,113,371

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Authority and purpose

The School Division delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The School Division receives instruction and support allocations under Regulation 77/2003. The regulation allows for setting of conditions and use of grant monies. The School Division is limited on certain funding allocations and administration expenses.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue recognition
Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

Investments
Investments are valued at cost.

Inventory
Inventory is recorded at the lower of cost and net realizable value. Cost is determined on the first in, first out basis.

Capital assets
Capital assets are recorded at cost and amortization is provided for on a straight line basis using the following annual rates:

Equipment and furnishings	5 years
Vehicles	10 years
Buildings	40 years
Buildings and additions	25 years

2. Summary of significant accounting policies (continued)

Capital assets (continued)
There is no amortization charged in the year of acquisition.

Only capital assets with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

School generated funds
These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (eg. yearbook sales, graduation fees, field trip fees, etc.).

Vacation pay
Vacation pay is accrued in the period in which the employee earns the benefit.

Pensions
Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School Division does not make pension contributions for certificated staff.

The School Board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of $431,664 for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

Prepaid expenses
Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

Contributed services
Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Financial instruments
The Division's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Division has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

2. Summary of significant accounting policies (continued)

Operating and capital reserves
Reserves are established at the discretion of the Board of Trustees of the Division or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Employee future benefits
The Division accounted for the future cost of employee benefits commencing in the 2000-2001 school year using the retroactive approach. There is no financial impact on the Division at this time.

3. Accounts receivable

		2006	2005
Province of Alberta	$	308,836 $	1,638,420
Federal government		756,836	280,829
Alberta municipalities		17,880	8,948
Indian and Northern Affairs Canada		-	134,481
Other		249,388	117,996
Total	$	1,332,940 $	2,180,674

4. Accounts payable and liabilities

		2006	2005
Province of Alberta	$	139,741 $	176,996
Other trade payables and accrued liabilities		1,075,197	629,487
Total	$	1,214,938 $	806,483

5. Deferred revenue

		2006	2005
Modernization Block Funding	$	114,050 $	181,352
Alberta Initiative for School Improvement		-	130,017
Severe Disabilities 2000-2003		-	52,215
French language initiative		57,236	-
Classroom Initiative		-	2,602
	$	171,286 $	366,186

6. Trust assets and liabilities

These balances represent cash that is held in trust by the jurisdiction for the following areas:

	2006	2005
Scholarship trusts	$ 335,481	$ 247,161
Charitable donations	92,589	69,151
Trust awards	315	315
Total	$ 428,385	$ 316,627

7. Long-term debt

The Division has various debentures payable to Alberta Capital Finance Authority relating to the acquisition of capital assets bearing interest at rates ranging from 8.875% to 12.0%. The debenture debt is fully supported by Alberta Finance. Principal payments in each of the next five years are estimated as follows:

2007	$ 476,604
2008	467,223
2009	351,053
2010	337,993
2011	330,668
Thereafter	445,136
	$ 2,408,677

8. Deferred capital allocations

Capital allocations received for qualifying capital projects initiated by the jurisdiction have been capitalized. These allocations are amortized on a basis consistent with the capital asset that the allocation funded.

9. Unamortized capital allocations

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as full-supported debentured capital funds, as the principal is repaid.

10. Internally restricted net assets

Net assets may be restricted by authorization of the Board of Trustees for future capital and operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the Board.

	2006	2005
Operating		
School allocations	$ -	$ 70,907
Professional development	-	158,162
Operations and maintenance	115,468	63,049
Board governance	-	42,000
System administration	-	63,601
Transportation	-	245,729
	115,468	643,448
Capital		
Technology	103,583	103,583
	$ 219,051	$ 747,031

11. Capital over expenditure

The School Division has unfunded capital over expenditures on the St. Basil Catholic Education Centre totalling $1,489,548. The over expenditure is expected to be funded by the sale of surplus property within the next year.

12. Commitments

The Division is committed to further capital expenditures for the modernization, replacement and addition of schools of approximately $19,600,000. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Infrastructure.

Catholic High School Campus	$ 10,600,000
St. Catherine's School modernization	4,400,000
Ecole St. Mary's modernization	4,600,000
	$ 19,600,000

13. Related Party Transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta:				
Education	$ 117,350	$ 171,286	$30,896,483	$
Infrastructure & Transportation	42,579		3,173,893	
Finance	139,741	139,741	258,037	25
Human Resources/Employment	9,321		3,521	
Other:				
Health authorities	6,973		7,713	108,285
Post -secondary institutions			14,094	1,816
Other Alberta school jurisdictions	1,491		165,784	
Other related parties	233		93,634	63,331
Total 2005-2006	$ 317,688	$ 311,027	$34,613,159	$ 173,457
Total 2004-2005	$ 1,725,066	$ 543,182	$32,870,212	$ 83,700

14. Economic dependence on related third party

The School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

15. Subsequent Events

Subsequent to the year, the Division has agreed to sell surplus property. The old St. Patrick Fine Arts School has been approved for sale in the amount of $950,000. The sale of the surplus property on 18th Street South has also been settled on for a gross purchase price of $726,500.

16. Budget amounts

The budget was prepared by the School Division management with Board of Trustees approval given on June 15, 2005. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS

School Jurisdiction Cod 4481

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	$30,896,483	$28,074,304	$369,981	$962,233	$1,489,965	$0
(2) Alberta Infrastructure & Transportation	$3,173,893	$0	$3,173,893			
(3) Alberta Finance	$258,037		$258,037			$0
(4) Other - Government of Alberta	$0	$0	$0	$0	$0	$0
(5) Federal Government and/or First Nations	$1,290,183	$1,097,817	$129,018	$0	$63,348	$0
(6) Other Alberta school authorities	$0	$0	$0	$0	$0	$0
(7) Out of province authorities	$0	$0	$0	$0	$0	$0
(8) Alberta municipalities (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) Instruction resource fees	$217,710	$217,710				
(10) Transportation fees	$0			$0		
(11) Other sales and services	$191,741	$191,741	$0	$0	$0	$0
(12) Investment income	$0	$0	$0	$0	$0	$0
(13) Gifts and donations	$3,716	$3,716	$0	$0		$0
(14) Rentals of facilities	$0	$0	$0	$0	$0	$0
(15) Net school generated funds	$712,589	$712,589			$0	
(16) Gains on disposal of capital assets	$0	$0	$0	$0	$0	$0
(17) Amortization of capital allocations	$757,718	$0	$757,718	$0		$0
(18) TOTAL REVENUES	$37,502,070	$30,297,877	$4,688,647	$962,233	$1,553,313	$0
EXPENSES						
(19) Certificated salaries	$19,047,562	$18,801,895			$245,667	$0
(20) Certificated benefits	$2,109,700	$2,093,740			$15,960	$0
(21) Uncertificated salaries and wages	$6,891,723	$5,044,508	$1,336,584	$44,832	$465,799	$0
(22) Uncertificated benefits	$1,825,239	$1,365,927	$335,243	$9,894	$114,175	$0
(23) SUB - TOTAL	$29,874,224	$27,306,070	$1,671,827	$54,726	$841,601	$0
(24) Services, contracts & supplies	$6,106,873	$2,921,468	$1,702,790	$861,200	$621,415	$0
(25) Cost recoveries between programs	$0	$0	$0	$0	$0	$0
(26) Net school generated funds	$712,589	$712,589				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$757,718	$0	$757,718	$0	$0	$0
(28) Unsupported	$137,458	$100,801	$16,759	$0	$19,898	$0
(29) Total Amortization	$895,176	$100,801	$774,477	$0	$19,898	$0
Interest on capital debt						
(30) Supported	$258,037	$0	$258,037	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$4,224	$4,224	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$3,943	$2,143	$1,800	$0	$0	$0
(34) TOTAL EXPENSES	$37,855,066	$31,047,295	$4,408,931	$915,926	$1,482,914	$0
(35) EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM	($352,996)	($749,418)	$279,716	$46,307	$70,399	$0

School Jurisdiction Code: 4461

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services(ECS)	$936,192
Base Instruction (Gr 1-12)	$20,813,147
Outreach Programs	$52,020
Home Education	$0
Differential Cost Funding *	$6,201,111
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services(4 boards)	$0
Learning Resources Credit Allocation	$0
Provincial Priority Targeted Funding	
Class Size Initiative	$949,540
Student Health Initiative (SHI)	$324,441
Alberta Initiative for School Improvement(AISI)	$553,375
High Speed Networking	$111,071
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$298,468
Other Alberta Education Revenues (describe):	$657,118
Total Alberta Education Revenues	$30,896,483

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 4481

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,853,489	$1,096,662	$466,997		$0	$0	$3,417,148
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$0	$170,281	$34,696		$0		$204,977
ECS Program Unit (PUF)	$0	$760,322	$234,424		$0		$994,746
Severe Disabilities (Gr 1-12)	$304,213	$2,455,199	$43,175		$0		$2,802,587
English as a Second Language	$0	$20,053	$42,744		$0		$62,797
French Language Program & Francisation (all jurisdictions)	$102,926	$0	$15,404		$0		$118,330
First Nations, Metis and Inuit Education (ECS - Gr 12)	$186,205	$201,724	$14,688		$0		$402,617
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$321,719	$59,013	$302,960	$0	$0		$683,692
Student Health Initiative	$0	$239,222	$85,250		$0		$324,472
High Speed Networking			$111,074		$0		$111,074
Class Size	$952,148	$0	$0	$0	$0		$952,148
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$17,003,771	$1,407,959	$1,548,787	$0	$0	$819,757	$20,972,707
TOTAL EXPENSES	$20,724,471	$6,410,435	$2,900,199	$0	$0	$819,757	$31,047,295

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.0	5.4
ECS Program Unit (PUF)	0.0	24.2
Severe Disabilities (Gr 1-12)	3.9	78.1

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 4481

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$37,855,066**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%		**4.81%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%		

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,820,829
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	4,374	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,820,829**
Less: 2005/2006 Board and System Administration expenses		-$1,482,914
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$337,915

School Jurisdiction Code: 4481

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$1,008,071
Source of Net School Generated Funds:				
Fundraising activities	$2,246,166	$1,144,059	$1,102,107	
Student fees (Non-Instructional)(Note 2)	$27,001	$0	$27,001	
Donations and grants to schools	$124,312	$0	$124,312	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$2,397,479	$1,144,059		$1,253,420
Net SGF Available for Spending				$2,261,491
Application of Net School Generated Funds:				
Extra-curricular activities			$290,578	
School site beautification			$3,207	
Field Trips			$258,591	
Equipment			$20,298	
Family literacy and other community resources			$40,738	
Other (describe):			$99,177	
Net SGF Expended (Note 3)				$712,589
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$1,548,902

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of schoo management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fe s with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 4481

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,090,154	$140,117	$0	$0	$106,313	$1,336,584		$1,336,584
Uncertificated benefits	$277,539	$34,905	$0	$0	$22,799	$335,243		$335,243
Sub-total Remuneration	$1,367,693	$175,022	$0	$0	$129,112	$1,671,827		$1,671,827
Contracted Services	$84,402	$15,210	$0	$89,659	$0	$189,271		$189,271
Supplies	$441,873	$100,468	$0	$0	$10,433	$552,774		$552,774
Electricity			$488,483			$488,483		$488,483
Natural Gas/Heating Fuel			$307,203			$307,203		$307,203
Sewer and Water			$97,288			$97,288		$97,288
Telecommunications			$67,771			$67,771		$67,771
Insurance					$0	$0		$0
Amortization of capital assets								
Supported							$757,718	$757,718
Unsupported						$16,759		$16,759
Total Amortization						$16,759	$757,718	$774,477
Interest on capital debt								
Supported							$258,037	$258,037
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$1,800		$1,800
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,893,968	$290,700	$960,745	$89,659	$139,545	$3,393,176	$1,015,755	$4,408,931
SQUARE METRES								
School Buildings								0.0
Non School Buildings								0.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 4481

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	K Tratch	1.0	$6,986	$1,550	$3,493			$12,029	$7,302
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	G Cormican	1.0	$5,531	$171	$2,766			$8,468	$3,265
Name	N King	1.0	$5,531	$170	$2,766			$8,467	$3,398
Name	K Milder	1.0	$5,531	$1,962	$2,766			$10,259	$7,389
Name	B Baptista	1.0	$5,531	$1,987	$2,766			$10,284	$3,215
Name	C Spearman	1.0	$5,531	$193	$2,766			$8,490	$2,982
Name	M Welsch	1.0	$5,531	$2,541	$2,766			$10,838	$7,255
Name	S Sawicki	1.0	$5,531	$69	$2,766			$8,366	$2,844
Name	A Bergen-Henengouwen	1.0	$5,531	$2,984	$2,766			$11,281	$3,310
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*9.0*	*$51,234*	*$11,627*	*$25,621*			*$88,482*	*$40,960*
Superintendent	D Keohane	1.0	$129,667	$9,888	$3,000	$0	$0	$142,555	$16,570
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	V Pirie	1.0	$107,885	$19,580	$2,000	$0	$0	$129,465	$7,096
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		248.7	$18,917,895	$2,099,812	$16,016	$0	$0	$21,033,723	
Uncertificated Salaries & Wages		186.9	$6,732,604	$1,794,032	$14,656	$0	$0	$8,541,292	
TOTALS			**$25,939,285**	**$3,934,939**	**$61,293**	**$0**	**$0**	**$29,935,517**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 1045

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Horizon School Division No. 67
Legal Name of School Jurisdiction

6302 - 56 Street, Taber, AB T1G 1Z9
Mailing Address

403-223-3547 403-223-2999
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Horizon School Division No. 67
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Bruce Francis	"ORIGINAL SIGNED"
Name	**Signature**

SUPERINTENDENT

Cheryl Gilmore	"ORIGINAL SIGNED"
Name	**Signature**

SECRETARY TREASURER OR TREASURER

John Rakai	"ORIGINAL SIGNED"
Name	**Signature**

23-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 1045

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AUDITORS' REPORT

To the Board of Trustees
Horizon School Division No. 67

We have audited the statement of financial position of the Horizon School Division No. 67 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Young Parkyn McNab LLP

Taber, Alberta

November 2, 2006

Chartered Accountants

School Jurisdiction Code: 1045

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$5,609,844	$5,925,619
Accounts receivable (net after allowances)		$1,316,670	$1,025,995
Prepaid expenses		$0	$1,488
Other current assets		$0	$0
Total current assets		$6,926,514	$6,953,102
School generated assets		$914,163	$806,740
Trust assets		$0	$15,995
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$487,275	$501,092
Buildings	$32,999,231		
Less: accumulated amortization	($12,613,672)	$20,385,559	$17,822,352
Equipment	$1,570,878		
Less: accumulated amortization	($992,556)	$578,322	$506,929
Vehicles	$628,017		
Less: accumulated amortization	($444,773)	$183,244	$102,921
Total capital assets		$21,634,400	$18,933,294
TOTAL ASSETS		$29,475,077	$26,709,131
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$898,403	$493,702
Deferred revenue		$114,180	$146,331
Deferred capital allocations		$0	$608,069
Current portion of all long term debt		$127,743	$127,790
Total current liabilities		$1,140,326	$1,375,892
School generated liabilities		$914,163	$806,740
Trust liabilities		$0	$15,995
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$825,518	$953,309
Less: Current portion of supported debt		($127,743)	($127,790)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$17,688,561	$14,771,741
Total long term liabilities		$19,300,499	$16,419,995
TOTAL LIABILITIES		$20,440,825	$17,795,887
NET ASSETS			
Unrestricted net assets		$3,877,530	$3,671,613
Operating Reserves		$1,825,641	$1,821,692
Accumulated Operating Surplus (Deficit)		$5,703,171	$5,493,305
Investment in capital assets		$3,120,321	$3,208,243
Capital Reserves		$210,760	$211,696
Total Capital Funds		$3,331,081	$3,419,939
Total net assets		$9,034,252	$8,913,244
TOTAL LIABILITIES AND NET ASSETS		$29,475,077	$26,709,131

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 1045

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$30,736,081	$30,235,140	$29,854,926
Federal Government and/or First Nations	$736	$1,300	$0
Other Alberta school authorities	$0	$0	$17,620
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$212,405	$231,088	$200,987
Transportation fees	$14,268	$14,270	$13,853
Other sales and services	$63,225	$13,500	$54,102
Investment income	$222,984	$140,000	$142,707
Gifts and donations	$149,725	$0	$4,000
Rentals of facilities	$26,710	$30,085	$30,318
Net school generated funds	$928,229	$985,000	$541,618
Gains on disposal of capital assets	$68,491	$0	$677
Amortization of capital allocations	$429,446	$413,299	$425,887
Total Revenues	$32,852,300	$32,063,682	$31,286,695
EXPENSES			
Certificated salaries	$15,299,028	$15,579,934	$15,085,708
Certificated benefits	$1,647,603	$1,737,186	$1,677,644
Uncertificated salaries and wages	$5,230,213	$5,107,965	$5,092,605
Uncertificated benefits	$946,337	$834,931	$874,231
Services, contracts and supplies	$7,875,946	$7,641,625	$7,153,555
Net school generated funds	$928,229	$985,000	$541,618
Capital and debt services			
Amortization of capital assets			
Supported	$429,446	$413,659	$425,887
Unsupported	$247,309	$246,959	$270,495
Total Amortization of capital assets	$676,755	$660,618	$696,382
Interest on capital debt			
Supported	$95,675	$104,408	$109,879
Unsupported	$0	$0	$0
Total Interest on capital debt	$95,675	$104,408	$109,879
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$31,506	$0	$11,736
Total Expenses	$32,731,292	$32,651,667	$31,243,358
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$121,008	($587,985)	$43,337
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$121,008	($587,985)	$43,337

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 1045

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$121,008	$43,337
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($429,446)	($425,887)
Total amortization expense	$676,755	$696,382
Gains on disposal of capital assets	($68,491)	($677)
Losses on disposal of capital assets	$31,506	$11,736
Changes in accrued accounts:		
Accounts receivable	($290,675)	$779,101
Prepaids and other current assets	$1,488	($1,488)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$404,701	$133,500
Deferred revenue	($32,151)	$33,283
Employee future benefit expense (recovery)	$0	$0
Other (describe)		$0
Total sources (uses) of cash from Operations	$414,695	$1,269,287
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($3,053,583)	($3,201,420)
Equipment	($238,565)	($124,246)
Vehicles	($126,507)	($30,162)
Net proceeds from disposal of capital assets	$77,779	$18,669
Other (describe) Contributed capital assets	$65,828	$0
Total sources (uses) of cash from Investing activities	($3,275,048)	($3,337,159)
C. FINANCING ACTIVITIES		
Capital allocations	$2,544,579	$1,848,511
Issue of long term debt	$0	$0
Repayment of long term debt	($127,791)	($141,089)
Add back: supported portion	$127,790	$141,089
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$2,544,578	$1,848,511
Net sources (uses) of cash during year	($315,775)	($219,361)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$5,925,619	$6,144,980
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$5,609,844	$5,925,619

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 1045

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$8,913,244	$3,208,243	$3,671,613	$2,033,388	$1,791,692	$0	$0	$0	$30,000	$0	$0	$211,696	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$8,913,244	$3,208,243	$3,671,613	$2,033,388	$1,791,692	$0	$0	$0	$30,000	$0	$0	$211,696	$0	$0
Excess(def) of revenue over expenses	$121,008		$121,008											
Board funded capital transactions		$200,181	($101,466)	($98,715)	$0	($77,779)	$0	$0	$0	$0	$0	($20,936)	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($676,755)	$676,755											
Amortization of capital allocations		$429,446	($429,446)											
Disposal of unsupported capital assets	$0	($40,794)	($36,985)	$77,779		$77,779		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($1,099,547)	$1,099,547	$1,089,547		$0		$10,000		$0		$0	
Net transfers from operating reserves			$1,095,598	($1,095,598)	($1,095,598)		$0		$0		$0		$0	
Net transfers to capital reserves			($20,000)	$20,000		$0		$20,000		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$9,034,252	$3,120,321	$3,877,530	$2,036,401	$1,785,641	$0	$0	$20,000	$40,000	$0	$0	$190,760	$0	$0

School Jurisdiction Code: 1045

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$608,069	$14,771,741
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$608,069	$14,771,741
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$2,537,208	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$7,371	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$65,828
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$127,790
Expended capital allocations - current year	($3,152,648)	$3,152,648
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$429,446
Balance at August 31, 2006	$0	$17,688,561

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Authority and purpose

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Status of Alberta 2000, Chapter S - 3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue recognition
Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

b) Capital assets
Capital assets are recorded at cost and are amortized over their estimated useful lives on a straight line basis, at the following rates:

Buildings	2.5% to 5%
Equipment	10% and 20%
Vehicles	10% and 20%

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

2. Summary of significant accounting policies (continued)

c) School generated funds
These are funds which come under the control and responsibility of the school principal for school activities. These funds are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

d) Vacation pay
Vacation pay is accrued in the period in which the employee earns the benefit.

e) Pensions
Pension costs included in these financial statements comprise the cost of employer contributions for the current service of employees during the year.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, Horizon School Division No. 67 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, the Local Authorities Pension Plan and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $168,527 for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

f) Contributed services
Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

g) Financial instruments
These consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of the financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

h) Operating and capital reserves
Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

3. Accounts receivable

	2006	2005
Alberta Education	$ 910,503	$ 603,032
Alberta Finance	52,500	61,232
Other Province of Alberta	65,258	62,580
Federal Government	234,475	212,198
Other	53,934	86,953
	$1,316,670	$1,025,995

4. Bank indebtedness

The jurisdiction has negotiated a line of credit in the amount $400,000 that bears interest at the Royal Bank of Canada's prime rate. This line of credit is secured by a borrowing bylaw and a security agreement covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006.

5. Accounts payable and liabilities

	2006	2005
Alberta Finance	$ 52,500	$ 71,375
Other trade payables and accrued liabilities	845,903	422,327
	$ 898,403	$ 493,702

6. Deferred revenue

	2006	2005
Alberta Initiative for School Improvement	$ 7,453	$ 22,860
Infrastructure Maintenance Program	-	89,788
Video Conferencing Project Funding	50,000	-
Other	56,727	240
2004 - 2005 O & M allocation	-	33,443
	$ 114,180	$ 146,331

7. Long term debt

Debenture debt - supported
The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2006 - 2007	$ 127,743	$ 90,371	$ 218,114
2007 - 2008	127,720	76,338	204,058
2008 - 2009	125,707	62,308	188,015
2009 - 2010	124,681	48,501	173,182
2010 - 2011	122,753	34,805	157,558
2011 - Maturity	196,914	41,374	238,288
	$ 825,518	$ 353,697	$1,179,215

8. Deferred capital allocations

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not yet been made at year end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

9. Unamortized capital allocations

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations, as well as fully-supported debenture principal repayments.

10. Commitments

a) Building projects
The jurisdiction is committed to further capital expenditures for the addition and modernization of Central School (Taber) of approximately $224,000. It is anticipated that this project will be completed in 2006-2007 and that these costs will be primarily funded by the jurisdiction.

The jurisdiction is committed to further capital expenditures for the demolition, replacement and modernization of Chamberlain School (Grassy Lake) of approximately $94,000. It is anticipated that this project will be completed in 2006-2007 and that these costs will be primarily funded by the capital allocations from Alberta Education.

The jurisdiction has committed $100,000 to the Lomond Community Multi-purpose Facility Committee (Lomond School). There is no anticipated project completion date as of August 31, 2006. These costs will be primarily funded by the jurisdiction.

11. Related party transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
2005-2006	Assets (@cost or net realized value)	Liabilities (@fair value)	Revenues	Expenses
Government of Alberta:				
Education	$ 910,503	-	$ 30,414,669	-
Infrastructure & Transportation	-	-	122,038	122,038
Finance	52,500	52,500	95,675	95,675
Human Resources / Employment	-	-	8,643	31,728
Other Gov't of Alberta Department	-	-	95,056	61,342
Other:				
Health Authorities	65,258		-	422,307
Other Alberta school jurisdictions	-	-	-	14,268
Other related parties	-	-	-	-
TOTAL 2005-2006	$1,028,261	$ 52,500	$ 30,736,081	$ 747,358
TOTAL 2004-2005	$ 726,844	$ 71,375	$ 29,872,546	$ 621,644

12. Economic dependence on related third party

The jurisdiction's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

13. Budget amounts

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only.

SCHEDULE A to the AFS

School Jurisdiction Cod 1045

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$30,414,669	$22,852,295	$3,397,828	$2,918,662	$1,245,884	$0
(2) **Alberta Infrastructure & Transportation**	$122,038	$0	$122,038			
(3) **Alberta Finance**	$95,675		$95,675			$0
(4) **Other - Government of Alberta**	$103,699	$95,056	$8,643	$0	$0	$0
(5) **Federal Government and/or First Nations**	$736	$736	$0	$0	$0	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$212,405	$212,405				
(10) **Transportation fees**	$14,268			$14,268		
(11) **Other sales and services**	$63,225	$58,474	$4,751	$0	$0	$0
(12) **Investment income**	$222,984	$171,017	$18,519	$11,149	$22,299	$0
(13) **Gifts and donations**	$149,725	$149,725	$0	$0		$0
(14) **Rentals of facilities**	$26,710	$0	$26,710	$0	$0	$0
(15) **Net school generated funds**	$928,229	$928,229			$0	
(16) **Gains on disposal of capital assets**	$68,491	$68,491	$0	$0		$0
(17) **Amortization of capital allocations**	$429,446		$429,446	$0		$0
(18) **TOTAL REVENUES**	$32,852,300	$24,536,428	$4,103,610	$2,944,079	$1,268,183	$0
EXPENSES						
(19) **Certificated salaries**	$15,299,028	$15,029,265			$269,763	$0
(20) **Certificated benefits**	$1,647,603	$1,606,485			$41,118	$0
(21) **Uncertificated salaries and wages**	$5,230,213	$4,045,468	$682,969	$20,408	$481,368	$0
(22) **Uncertificated benefits**	$946,337	$721,173	$116,418	$4,360	$104,386	$0
(23) **SUB - TOTAL**	$23,123,181	$21,402,391	$799,387	$24,768	$896,635	$0
(24) **Services, contracts & supplies**	$7,875,946	$2,380,201	$2,617,669	$2,527,979	$350,097	$0
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$928,229	$928,229				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$429,446	$0	$429,446	$0	$0	$0
(28) Unsupported	$247,309	$135,113	$90,745	$0	$21,451	$0
(29) Total Amortization	$676,755	$135,113	$520,191	$0	$21,451	$0
Interest on capital debt						
(30) Supported	$95,675	$0	$95,675	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$31,506	$31,506	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$32,731,292	$24,877,440	$4,032,922	$2,552,747	$1,268,183	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$121,008	($341,012)	$70,688	$391,332	$0	$0

School Jurisdiction Code: 1045

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$608,016
Base Instruction (Gr 1-12)	$16,478,573
Outreach Programs	$104,040
Home Education	$0
Differential Cost Funding *	$11,743,634
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$21,269
Provincial Priority Targeted Funding	
Class Size Initiative	$554,122
Student Health Initiative (SHI)	$134,380
Alberta Initiative for School Improvement (AISI)	$449,595
High Speed Networking	$104,022
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$217,018
Other Alberta Education Revenues (describe):	$0
Total Alberta Education Revenues	$30,414,669

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 1045

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,769,873	$753,265	$94,171		$0	$0	$2,617,309
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$476,364	$789,688	$21,088		$0		$1,287,140
ECS Program Unit (PUF)	$33,987	$79,234	$43,827		$0		$157,048
Severe Disabilities (Gr 1-12)	$353,381	$1,293,151	$35,880		$0		$1,682,412
English as a Second Language	$20,394	$352,611	$72,215		$0		$445,220
French Language Program & Francisation (all jurisdictions)	$0	$0	$736		$0		$736
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$55,650	$15,095		$0		$70,745
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$186,177	$163,979	$99,407	$32,552	$0		$482,115
Student Health Initiative	$15,395	$106,780	$12,205		$0		$134,380
High Speed Networking			$134,380		$0		$134,380
Class Size	$554,122	$0	$0	$0	$0		$554,122
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$13,226,057	$1,172,283	$1,574,740	$243,905	$0	$1,094,848	$17,311,833
TOTAL EXPENSES	$16,635,750	$4,766,641	$2,103,744	$276,457	$0	$1,094,848	$24,877,440

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	6.3	30.2
ECS Program Unit (PUF)	0.5	3.9
Severe Disabilities (Gr 1-12)	4.7	61.2

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 1045

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	$32,731,292

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	5.37%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,757,670
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	3,249	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,757,670**
Less: 2005/2006 Board and System Administration expenses		-$1,268,183
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$489,487

School Jurisdiction Code: 1045

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$806,740
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$708,938	$415,432	$293,506	
Student fees (Non-Instructional) (Note 2)	$346,253	$0	$346,253	
Donations and grants to schools	$82,209	$0	$82,209	
Other (describe): Rental, interest, clothing	$641,259	$327,575	$313,684	
Net Additions to SGF	$1,778,659	$743,007		$1,035,652
Net SGF Available for Spending				$1,842,392
Application of Net School Generated Funds:				
Extra-curricular activities			$375,950	
School site beautification			$26,079	
Field Trips			$113,857	
Equipment			$68,314	
Family literacy and other community resources			$1,290	
Other (describe): Bank charges, sponsorships and certificates, supplies, uniforms			$342,739	
Net SGF Expended (Note 3)				$928,229
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$914,163

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1045

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$188,118	$494,851	$0	$0	$0	$682,969		$682,969
Uncertificated benefits	$33,576	$82,842	$0	$0	$0	$116,418		$116,418
Sub-total Remuneration	$221,694	$577,693	$0	$0	$0	$799,387		$799,387
Contracted Services	$595,633	$214,932	$0	$318,741	$30,821	$1,160,127		$1,160,127
Supplies	$174,203	$478,578	$0	$36,939	$0	$689,720		$689,720
Electricity			$278,569			$278,569		$278,569
Natural Gas/Heating Fuel			$61,681			$61,681		$61,681
Sewer and Water			$247,336			$247,336		$247,336
Telecommunications			$7,402			$7,402		$7,402
Insurance					$172,834	$172,834		$172,834
Amortization of capital assets								
Supported							$429,446	$429,446
Unsupported						$90,745		$90,745
Total Amortization						$90,745	$429,446	$520,191
Interest on capital debt								
Supported							$95,675	$95,675
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$991,530	$1,271,203	$594,988	$355,680	$203,655	$3,507,801	$525,121	$4,032,922
SQUARE METRES								
School Buildings								53,531.6
Non School Buildings								2,499.6

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 1045

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Bruce Francis	1.0	$10,480	$287	$0			$10,767	$1,498
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Derek Baron	1.0	$9,531	$287	$0			$9,818	$2,475
Name	Sharon Holtman	1.0	$9,531	$287	$0			$9,818	$3,724
Name	Audrey Kriszan	1.0	$9,531	$287	$0			$9,818	$2,792
Name	Marie Logan	1.0	$9,791	$287	$0			$10,078	$2,350
Name	Terry Michaelis	1.0	$9,531	$287	$0			$9,818	$4,763
Name	Norma Peters	1.0	$9,531	$287	$0			$9,818	$5,040
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$67,926*	*$2,009*	*$0*			*$69,935*	*$22,640*
Superintendent	Eric Johnson	1.0	$131,350	$21,916	$0	$0	$0	$153,266	$34,442
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	John Rakai	1.0	$99,826	$28,084	$0	$0	$0	$127,910	$5,907
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		212.9	$15,167,678	$1,625,687	$0	$0	$0	$16,793,365	
Uncertificated Salaries & Wages		202.4	$5,062,461	$916,244	$0	$0	$0	$5,978,705	
TOTALS			**$20,529,241**	**$2,593,940**	**$0**	**$0**	**$0**	**$23,123,181**	

Note: Please refer to completion information on page 15

Superintendent's remaining Professional Development allowance was paid out on retirement.

School Jurisdiction Code: 4105

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

LAKELAND ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 150
Legal Name of School Jurisdiction

4810-46 STREET, BONNYVILLE, ALBERTA T9N 2R2
Mailing Address

(780)826-3235 (780)826-7576
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules LAKELAND ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 150
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Vicky Lefebvre — "ORIGINAL SIGNED"
Name — Signature

SUPERINTENDENT

Bernadette Provost — "ORIGINAL SIGNED"
Name — Signature

SECRETARY TREASURER OR TREASURER

Doug Ewanowich — "ORIGINAL SIGNED"
Name — Signature

29-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 4105

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ROSS
TOPYLKI LLP

Chartered Accountants

Brian W. Ross* C.A.
Beverley Topylki*, C.A.
* Denotes Professional Corporation
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Phone: (780) 594-5554
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AUDITORS' REPORT

To the Board of Trustees of:
Lakeland Roman Catholic Separate School District No. 150

We have audited the statement of financial position of the Lakeland Roman Catholic Separate School District No. 150 (School District) as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006, and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bonnyville, Alberta
November 14, 2006

Ross + Topylki LLP
Chartered Accountants

School Jurisdiction Code: 4105

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$7,981,679	$3,584,919
Accounts receivable (net after allowances)		$809,863	$1,409,369
Prepaid expenses		$11,587	$20,999
Other current assets		$172,318	$185,904
Total current assets		$8,975,447	$5,201,191
School generated assets		$175,018	$120,628
Trust assets		$10,405	$10,745
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$530,906	$506,252
Buildings	$19,454,435		
Less: accumulated amortization	($10,653,561)	$8,800,874	$8,239,671
Equipment	$1,258,912		
Less: accumulated amortization	($805,230)	$453,682	$124,008
Vehicles	$252,071		
Less: accumulated amortization	($126,523)	$125,548	$31,896
Total capital assets		$9,911,010	$8,901,827
TOTAL ASSETS		$19,071,879	$14,234,391
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$1,570,601	$802,093
Deferred revenue		$99,694	$242,321
Deferred capital allocations		$3,547,475	$198,490
Current portion of all long term debt		$408,009	$352,031
Total current liabilities		$5,625,779	$1,594,935
School generated liabilities		$175,018	$120,628
Trust liabilities		$10,405	$10,745
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$1,946,005	$2,298,036
Less: Current portion of supported debt		($331,581)	($352,031)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$154,281	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		($76,428)	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$5,853,947	$4,799,881
Total long term liabilities		$7,731,647	$6,877,259
TOTAL LIABILITIES		$13,357,426	$8,472,194
NET ASSETS			
Unrestricted net assets		($0)	$0
Operating Reserves		$2,547,823	$2,797,179
Accumulated Operating Surplus (Deficit)		$2,547,823	$2,797,179
Investment in capital assets		$2,111,057	$1,803,910
Capital Reserves		$1,055,574	$1,161,108
Total Capital Funds		$3,166,631	$2,965,018
Total net assets		$5,714,454	$5,762,197
TOTAL LIABILITIES AND NET ASSETS		$19,071,879	$14,234,391

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 4105

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005 Restated
REVENUES			
Government of Alberta	$16,756,715	$15,691,634	$16,482,697
Federal Government and/or First Nations	$451,576	$552,761	$619,070
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$18,000	$0	$8,000
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$51,318	$57,694	$53,616
Transportation fees	$0	$0	$0
Other sales and services	$96,366	$0	$64,318
Investment income	$169,219	$92,000	$93,378
Gifts and donations	$35,466	$0	$14,961
Rentals of facilities	$0	$0	$0
Net school generated funds	$389,770	$410,000	$408,125
Gains on disposal of capital assets	$1,084	$0	$0
Amortization of capital allocations	$638,419	$602,753	$646,959
Total Revenues	$18,607,933	$17,406,842	$18,391,124
EXPENSES			
Certificated salaries	$8,529,683	$8,634,549	$8,412,184
Certificated benefits	$1,068,488	$1,120,867	$1,007,504
Uncertificated salaries and wages	$2,933,368	$2,576,106	$2,727,090
Uncertificated benefits	$799,853	$644,027	$708,067
Services, contracts and supplies	$3,954,978	$3,237,437	$3,331,121
Net school generated funds	$389,770	$410,000	$408,125
Capital and debt services			
Amortization of capital assets			
Supported	$638,419	$602,753	$646,959
Unsupported	$121,110	$109,993	$132,578
Total Amortization of capital assets	$759,529	$712,746	$779,537
Interest on capital debt			
Supported	$220,007	$241,717	$257,469
Unsupported	$0	$0	$0
Total Interest on capital debt	$220,007	$241,717	$257,469
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$18,655,676	$17,577,449	$17,631,097
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	($47,743)	($170,607)	$760,027
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	($47,743)	($170,607)	$760,027

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 4105

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	($47,743)	$760,027
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($638,419)	($646,959)
Total amortization expense	$759,529	$779,537
Gains on disposal of capital assets	($1,084)	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$599,506	($309,179)
Prepaids and other current assets	$22,998	$79,555
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$768,508	($44,955)
Deferred revenue	($142,627)	($20,564)
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$1,320,668	$597,462
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($1,280,858)	($420,313)
Equipment	($382,846)	$0
Vehicles	($119,924)	$0
Net proceeds from disposal of capital assets	$16,000	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($1,767,628)	($420,313)
C. FINANCING ACTIVITIES		
Capital allocations	$4,689,439	$430,028
Issue of long term debt	$233,584	$0
Repayment of long term debt	($431,334)	($368,311)
Add back: supported portion	$352,031	$368,311
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$4,843,720	$430,028
Net sources (uses) of cash during year	$4,396,760	$607,177
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$3,584,919	$2,977,742
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$7,981,679	$3,584,919

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 4105

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$5,762,197	$1,803,910	$0	$3,958,287	$1,844,839	$887,591	$818,190	$244,571	$134,150	$28,946	$0	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$5,762,197	$1,803,910	$0	$3,958,287	$1,844,839	$887,591	$818,190	$244,571	$134,150	$28,946	$0	$0	$0	$0
Excess(def) of revenue over expenses	($47,743)		($47,743)											
Board funded capital transactions		$443,173	($201,613)	($241,560)	$0	($233,584)	$0	$0	$0	($7,976)	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($759,529)	$759,529											
Amortization of capital allocations		$638,419	($638,419)											
Disposal of unsupported capital assets	$0	($14,916)	($1,084)	$16,000		$0		$0		$16,000		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($79,032)	$79,032	$0		$0		$79,032		$0		$0	
Net transfers from operating reserves			$328,388	($328,388)	($147,110)		($49,169)		($132,109)		$0		$0	
Net transfers to capital reserves			($120,026)	$120,026		$78,301		$16,689		$25,036		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$5,714,454	$2,111,057	($0)	$3,603,397	$1,697,729	$732,308	$769,021	$261,260	$81,073	$62,006	$0	$0	$0	$0

School Jurisdiction Code: 4105

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$198,490	$4,799,881
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$198,490	$4,799,881
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$220,659	
Infrastructure & Transportation-School/Modular Project Capital *	$4,389,043	
Other Government of Alberta	$59,955	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$19,782	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$352,031
Expended capital allocations - current year	($1,340,454)	$1,340,454
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$638,419
Balance at August 31, 2006	$3,547,475	$5,853,947

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The School District delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3

The School District receives instruction and support allocations under Regulation 77/2003 The regulation allows for the setting of conditions and use of grant monies. The School District is limited on certain funding allocations and administration expenses.

2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Education for Alberta school jurisdictions. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Revenue recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

2. ACCOUNTING POLICIES (Continued)

(b) Capital assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight line basis, at the following rates:

Buildings	2.5% to 10%
Equipment	10% to 20%
Site improvements	5%
Vehicles	20%

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

(c) School generated funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

(d) Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

(e) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School District does not make pension contributions for certificated staff.

(f) Prepaid expenses

Certain expenditures incurred before the close of the school year are for specific school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

2. ACCOUNTING POLICIES (Continued)

(g) Contributed services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

(h) Operating and capital reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

(i) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and approximations that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates and approximations.

3. CASH RESTRICTIONS

Cash held at year end of $3,907,314 was received from the government and is restricted to capital expenditures for a new elementary school in Cold Lake.

4. TRUST ASSETS AND LIABILITIES

This balance represents cash that is held in trust by the jurisdiction for a scholarship trust.

5. ACCOUNTS RECEIVABLE

	2006	2005
Province of Alberta	$ 366,035	$ 950,426
Federal Government	151,822	181,567
Alberta Municipalities	240,400	221,697
Other	51,606	55,679
	$ 809,863	$1,409,369

6. ACCOUNTS PAYABLE

	2006	2005
Province of Alberta	$ 365,901	$ 388,556
Other trade payables and accrued liabilities	1,204,700	413,537
	$ 1,570,601	$ 802,093

7. DEFERRED REVENUE

	2006	2005
Infrastructure Maintenance Program	$ 16,601	$ 117,321
Infrastructure Maintenance Renewal	74,128	-
Other Grants	8,965	125,000
	$ 99,694	$ 242,321

8. LONG TERM DEBT

a) Debenture debt - supported

The debenture debt bears interest at rates varying between 9% and 11.75% The debenture debt is fully supported by Alberta Finance Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2007	$ 331,581	$ 204,746	$ 536,327
2008	319,812	170,093	489,905
2009	313,624	136,617	450,241
2010	313,624	103,698	417,322
2011	313,624	70,779	384,403
Thereafter	353,740	55,970	409,710
	$1,946,005	$ 741,903	$ 2,687,908

b) Capital leases - unsupported

	2006	2005
Apple Canada Inc. capital lease payable $77,809 annually including interest at 1.9% per annum, due August, 2008; secured by computer equipment with a carrying value of $233,584.	$ 154,281	$ -
Less amount payable within one year	76,428	-
	$ 77,853	$ -

Principal payments required to retire the debt are approximately as follows:

2007	$ 76,428
2008	77,853
	$ 154,281

9. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year end When expended, these deferred capital allocations are transferred to unamortized capital allocations.

10. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

11. COMMITMENTS

a) Equipment lease

The School District is committed to the following minimum annual lease payments for photocopy equipment and premises pursuant to a lease expiring September, 2009 as follows:

2007	$ 136,000
2008	136,000
2009	136,000
	$ 408,000

b) Building projects

The School District is committed to further capital expenditures for a new elementary school in Cold Lake of approximately $7,205,398. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.

c) Natural gas agency agreement

The School District has appointed Gas Alberta Energy as its agent in obtaining favourable natural gas pricing, thereby authorizing Gas Alberta Energy to enter into fixed price gas purchase contracts on the School District's behalf. The agreement may be terminated by either party given one month written notice

12. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

2005-2006	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Government of Alberta:				
Education	$ 247,573	$ 247,439	$15,491,044	$ -
Infrastructure and Transportation	-	-	916,892	-
Finance	118,462	118,462	220,007	220,007
Health and Wellness	-	-	-	-
Human Resources/Employment	-	-	-	-
Other Gov't of Alberta Departments	-	-	128,772	-
Other:				
Health Authorities	-	-	-	-
Post Secondary Institutions	-	-	-	-
Other Alberta School Jurisdictions	-	-	-	-
Other related parties	-	-	-	-
Total 2005-2006	$ 366,035	$ 365,901	$16,756,715	$ 220,007
Total 2004-2005	$ 950,426	$ 388,556	$16,482,697	$ 257,469

13. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The School District's primary source of income is from the Alberta Government. The School District's ability to continue viable operations is dependent on this funding.

14. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only.

15. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

16. FINANCIAL INSTRUMENTS

The School District's financial instruments consist of cash, accounts receivable, school generated assets and liabilities, trust assets and liabilities, accounts payable and accrued liabilities and long term debt. It is management's opinion that the School District is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

SCHEDULE A to the AF!

School Jurisdiction Cod 4105

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

	REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1)	**Alberta Education**	$15,491,044	$12,790,368	$827,622	$113,554	$879,805	$879,695
(2)	**Alberta Infrastructure & Transportation**	$916,892	$0	$916,892			
(3)	**Alberta Finance**	$220,007		$220,007			$0
(4)	**Other - Government of Alberta**	$128,772	$58,355	$66,692	$0	$3,725	$0
(5)	**Federal Government and/or First Nations**	$451,576	$424,482	$0	$0	$27,094	$0
(6)	**Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7)	**Out of province authorities**	$18,000	$18,000	$0	$0	$0	$0
(8)	**Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9)	**Instruction resource fees**	$51,318	$51,318				
(10)	**Transportation fees**	$0			$0		
(11)	**Other sales and services**	$96,366	$41,270	$16,698	$0	$38,398	$0
(12)	**Investment income**	$169,219	$139,283	$19,783	$0	$10,153	$0
(13)	**Gifts and donations**	$35,466	$35,466	$0	$0		$0
(14)	**Rentals of facilities**	$0	$0	$0	$0	$0	$0
(15)	**Net school generated funds**	$389,770	$389,770			$0	
(16)	**Gains on disposal of capital assets**	$1,084	$0	$0	$0	$1,084	$0
(17)	**Amortization of capital allocations**	$638,419	$28,008	$610,411	$0		$0
(18)	**TOTAL REVENUES**	$18,607,933	$13,976,320	$2,678,105	$113,554	$960,259	$879,695
	EXPENSES						
(19)	**Certificated salaries**	$8,529,683	$8,365,380			$164,303	$0
(20)	**Certificated benefits**	$1,068,488	$1,022,516			$45,972	$0
(21)	**Uncertificated salaries and wages**	$2,933,368	$1,969,095	$633,461	$0	$330,812	$0
(22)	**Uncertificated benefits**	$799,853	$564,242	$154,570	$0	$81,041	$0
(23)	**SUB - TOTAL**	$13,331,392	$11,921,233	$788,031	$0	$622,128	$0
(24)	**Services, contracts & supplies**	$3,954,978	$1,711,315	$990,249	$114,620	$259,099	$879,695
(25)	**Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26)	**Net school generated funds**	$389,770	$389,770				
	Capital and debt services						
	Amortization of capital assets						
(27)	Supported	$638,419	$28,008	$610,411	$0	$0	$0
(28)	Unsupported	$121,110	$25,164	$95,946	$0	$0	$0
(29)	Total Amortization	$759,529	$53,172	$706,357	$0	$0	$0
	Interest on capital debt						
(30)	Supported	$220,007	$0	$220,007	$0	$0	$0
(31)	Unsupported	$0	$0	$0	$0	$0	$0
(32)	Other interest charges	$0	$0	$0	$0	$0	$0
(33)	Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34)	**TOTAL EXPENSES**	$18,655,676	$14,075,490	$2,704,644	$114,620	$881,227	$879,695
(35)	**EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	($47,743)	($99,170)	($26,539)	($1,066)	$79,032	$0

School Jurisdiction Code: 4105

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$496,282
Base Instruction (Gr 1-12)	$9,300,454
Outreach Programs	$0
Home Education	$0
Differential Cost Funding *	$3,162,164
Other Provincial Support	
Institutional Programs	$21,322
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$879,695
Learning Resources Credit Allocation	$13,957
Provincial Priority Targeted Funding	
Class Size Initiative	$463,515
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$260,175
High Speed Networking	$65,858
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$132,484
Other Alberta Education Revenues (describe): Plant Operations & Maintenance Funding	$695,138
Total Alberta Education Revenues	$15,491,044

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 4105

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$887,879	$756,621	$85,558		$0	$0	$1,730,058
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$64,631	$156,064	$16,403		$0		$237,098
ECS Program Unit (PUF)	$171	$130,929	$29,136		$0		$160,236
Severe Disabilities (Gr 1-12)	$273,789	$1,003,645	$66,505		$0		$1,343,939
English as a Second Language	$0	$0	$0		$0		$0
French Language Program & Francisation (all jurisdictions)	$103,441	$17,768	$27,810		$0		$149,019
First Nations, Metis and Inuit Education (ECS - Gr 12)	$124,237	$26,372	$40,594		$0		$191,203
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$20,854	$0	$0		$0		$20,854
Alberta Initiative for School Improvement	$104,104	$91,803	$76,230	$0	$0		$272,137
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$8,432		$0		$8,432
Class Size	$516,900	$0	$0	$0	$0		$516,900
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$7,291,890	$350,135	$1,267,142	$93,505	$0	$442,942	$9,445,614
TOTAL EXPENSES	$9,387,896	$2,533,337	$1,617,810	$93,505	$0	$442,942	$14,075,490

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.8	6.5
ECS Program Unit (PUF)	0.0	7.3
Severe Disabilities (Gr 1-12)	3.7	43.0

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately
2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets

School Jurisdiction Code: 4105

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$18,655,676**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**6.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,119,341

Considerations for Charter Schools and Small School Boards:

If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	1,851	
	$416,160	$1,119,341
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,119,341**
Less: 2005/2006 Board and System Administration expenses		-$881,227
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$238,114

School Jurisdiction Code: 4105

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$120,628
Source of Net School Generated Funds:				
Fundraising activities	$294,594	$149,882	$144,712	
Student fees (Non-Instructional) (Note 2)	$174,141	$0	$174,141	
Donations and grants to schools	$54,295	$0	$54,295	
Other (describe): Breakfast Prog., Book Fair, Concession	$72,862	$1,850	$71,012	
Net Additions to SGF	$595,892	$151,732		$444,160
Net SGF Available for Spending				$564,788
Application of Net School Generated Funds:				
Extra-curricular activities			$155,585	
School site beautification			$1,094	
Field Trips			$40,703	
Equipment			$33,675	
Family literacy and other community resources			$0	
Other (describe): Student's Union, School Supplies, Breakfast Program, Project Supplies, Concession			$158,713	
Net SGF Expended (Note 3)				$389,770
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$175,018

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 4105

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$463,916	$103,453	$0	$461	$65,631	$633,461		$633,461
Uncertificated benefits	$117,621	$23,745	$0	$34	$13,170	$154,570		$154,570
Sub-total Remuneration	$581,537	$127,198	$0	$495	$78,801	$788,031		$788,031
Contracted Services	$185	$112,252	$0	$169,182	$2,369	$283,988		$283,988
Supplies	$67,287	$70,447	$0	$9,495	$0	$147,229		$147,229
Electricity			$226,559			$226,559		$226,559
Natural Gas/Heating Fuel			$234,233			$234,233		$234,233
Sewer and Water			$16,388			$16,388		$16,388
Telecommunications			$5,175			$5,175		$5,175
Insurance					$76,677	$76,677		$76,677
Amortization of capital assets								
Supported							$610,411	$610,411
Unsupported						$95,946		$95,946
Total Amortization						$95,946	$610,411	$706,357
Interest on capital debt								
Supported							$220,007	$220,007
Unsupported				$0				$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$649,009	$309,897	$482,355	$179,172	$157,847	$1,874,226	$830,418	$2,704,644
SQUARE METRES								
School Buildings								25,347.8
Non School Buildings								1,126.5

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety staindards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 4105

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	V. Lefebvre	1.0	$13,248	$0	$0			$13,248	$9,486
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	M. Campeau	1.0	$6,813	$0	$0			$6,813	$4,978
Name	R. Gauthier	1.0	$5,075	$0	$0			$5,075	$3,842
Name	K. Kissel	1.0	$5,907	$0	$0			$5,907	$2,023
Name	R. Kleinmann	1.0	$6,513	$0	$0			$6,513	$1,522
Name	M. Penner	1.0	$9,942	$0	$0			$9,942	$8,026
Name	G. Zaplotinsky	1.0	$6,326	$0	$0			$6,326	$6,866
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$53,824*	*$0*	*$0*			*$53,824*	*$36,743*
Superintendent	B. Provost	1.0	$128,790	$8,001	$0	$0	$33,704	$170,495	$11,625
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	D. Ewanowich	1.0	$107,325	$18,943	$0	$0	$19,655	$145,923	$11,149
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		119.9	$8,400,893	$1,001,602	$0	$0	$25,181	$9,427,676	
Uncertificated Salaries & Wages		100.8	$2,772,219	$761,255	$0	$0	$0	$3,533,474	
TOTALS			**$11,463,051**	**$1,789,801**	**$0**	**$0**	**$78,540**	**$13,331,392**	

Note: Please refer to completion information on page 15.

School Jurisdiction Code: 3040

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006

[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Lethbridge School District No. 51
Legal Name of School Jurisdiction

433 15th Street South, Lethbridge Alberta T1J 2Z5
Mailing Address

Ph: (403) 380-5303 Fax: (403) 320-9117
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Lethbridge School District No. 51 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Name	Signature
Maureen Calder	"ORIGINAL SIGNED"

SUPERINTENDENT

Name	Signature
Barry Litun	"ORIGINAL SIGNED"

SECRETARY TREASURER OR TREASURER

Name	Signature
Don Lussier	"ORIGINAL SIGNED"

November 29th, 2006
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
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School Jurisdiction Code: 3040

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BDO
Driving Growth

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AUDITORS' REPORT

To the Board of Trustees
Lethbridge School District No. 51

We have audited the statement of financial position of the Lethbridge School District No. 51 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and deferred capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and deferred capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BDO Dunwoody LLP

Chartered Accountants

Lethbridge, Alberta
November 6, 2006

BDO Dunwoody LLP is a Limited Liability Partnership registered in Ontario

School Jurisdiction Code: 3040

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$6,783,786	$5,674,988
Accounts receivable (net after allowances)		$1,271,281	$2,851,591
Prepaid expenses		$154,705	$190,957
Other current assets		$101,633	$113,111
Total current assets		$8,311,405	$8,830,647
School generated assets		$1,141,668	$1,042,695
Trust assets		$499,225	$488,816
Long term accounts receivable		$51,205	$0
Long term investments		$0	$0
Capital assets			
Land		$1,715,118	$1,715,118
Buildings	$64,759,494		
Less: accumulated amortization	($26,448,695)	$38,310,799	$37,367,377
Equipment	$2,281,361		
Less: accumulated amortization	($1,107,410)	$1,173,951	$1,352,998
Vehicles	$237,565		
Less: accumulated amortization	($134,375)	$103,190	$35,085
Total capital assets		$41,303,058	$40,470,578
TOTAL ASSETS		$51,306,561	$50,832,736
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$2,889,659	$3,675,704
Deferred revenue		$1,039,299	$1,154,298
Deferred capital allocations		$1,555,537	$826,583
Current portion of all long term debt		$1,008,979	$1,072,645
Total current liabilities		$6,493,474	$6,729,230
School generated liabilities		$1,141,668	$1,042,695
Trust liabilities		$499,225	$488,816
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$6,552,925	$7,651,017
	Less: Current portion of supported debt	($982,958)	($1,072,645)
Unsupported:	Debentures and Capital Loans	$777,217	$0
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	($26,021)	$0
Other long term liabilities		$55,986	$0
Unamortized capital allocations		$30,728,410	$29,831,220
Total long term liabilities		$38,746,452	$37,941,103
TOTAL LIABILITIES		$45,239,926	$44,670,333
NET ASSETS			
Unrestricted net assets		$295,394	$760,647
Operating Reserves		$1,752,132	$1,911,174
Accumulated Operating Surplus (Deficit)		$2,047,526	$2,671,821
Investment in capital assets		$3,244,506	$2,988,346
Capital Reserves		$774,603	$502,236
Total Capital Funds		$4,019,109	$3,490,582
Total net assets		$6,066,635	$6,162,403
TOTAL LIABILITIES AND NET ASSETS		$51,306,561	$50,832,736

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 3040

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$60,638,076	$60,373,074	$57,765,926
Federal Government and/or First Nations	$347,615	$323,088	$191,873
Other Alberta school authorities	$104,954		$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$469,801	$377,800	$414,361
Transportation fees	$0	$0	$0
Other sales and services	$383,360	$243,571	$325,502
Investment income	$252,177	$125,000	$184,056
Gifts and donations	$15,917	$0	$0
Rentals of facilities	$10,250	$3,000	$18,701
Net school generated funds	$1,536,853	$404,720	$1,261,522
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$1,498,346	$1,435,853	$1,445,831
Total Revenues	$65,257,349	$63,286,106	$61,607,772
EXPENSES			
Certificated salaries	$33,657,160	$32,456,612	$32,427,294
Certificated benefits	$4,476,102	$4,641,118	$4,196,747
Uncertificated salaries and wages	$11,458,328	$11,407,954	$10,893,874
Uncertificated benefits	$3,011,142	$2,681,093	$2,712,198
Services, contracts and supplies	$8,718,639	$10,344,422	$8,416,869
Net school generated funds	$1,536,853	$407,420	$1,261,522
Capital and debt services			
Amortization of capital assets			
Supported	$1,498,346	$1,435,853	$1,445,831
Unsupported	$172,931	$173,480	$137,896
Total Amortization of capital assets	$1,671,277	$1,609,333	$1,583,727
Interest on capital debt			
Supported	$790,202	$850,000	$912,231
Unsupported	$33,414	$0	$0
Total Interest on capital debt	$823,616	$850,000	$912,231
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$65,353,117	$64,397,952	$62,404,462
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	($95,768)	($1,111,846)	($796,690)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	($95,768)	($1,111,846)	($796,690)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 3040

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	($95,768)	($796,690)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,498,346)	($1,445,831)
Total amortization expense	$1,671,277	$1,583,727
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$1,580,310	$761,619
Prepaids and other current assets	$47,730	($17,813)
Long term accounts receivable	($51,205)	$0
Long term investments	$0	$0
Payables and accrued liabilities	($786,045)	$288,373
Deferred revenue	($114,999)	$170,127
Employee future benefit expense (recovery)	$0	$0
Other (describe) change in long term liability	$55,986	$0
Total sources (uses) of cash from Operations	$808,940	$543,512
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($2,375,848)	($2,185,887)
Equipment	($40,415)	($351,129)
Vehicles	($87,494)	$0
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($2,503,757)	($2,537,016)
C. FINANCING ACTIVITIES		
Capital allocations	$2,026,397	$178,394
Issue of long term debt	$800,000	$0
Repayment of long term debt	($1,120,875)	($1,164,656)
Add back: supported portion	$1,098,093	$1,164,656
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$2,803,615	$178,394
Net sources (uses) of cash during year	$1,108,798	($1,815,110)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$5,674,988	$7,490,098
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$6,783,786	$5,674,988

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 3040

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	**INVESTMENT IN CAPITAL ASSETS**	**UNRESTRICTED NET ASSETS**	**TOTAL INTERNALLY RESTRICTED NET ASSETS** Cols. 5 to 14	**INTERNALLY RESTRICTED NET ASSETS**									
					School Based		**Infrastructure**		**Board & System Admin.**		**Transportation**		**External Services**	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$6,162,403	$2,988,346	$760,647	$2,413,410	$1,040,190	$216,647	$184,826	$245,468	$442,977	$40,121	$243,181	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$6,162,403	$2,988,346	$760,647	$2,413,410	$1,040,190	$216,647	$184,826	$245,468	$442,977	$40,121	$243,181	$0	$0	$0
Excess(def) of revenue over expenses	($95,768)		($95,768)											
Board funded capital transactions		$406,312		($406,312)	($92,388)	$0	($35,521)	$0	($178,403)	$0	($100,000)	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,671,277)	$1,671,277											
Amortization of capital allocations		$1,498,346	($1,498,346)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$22,779	($22,779)											
Net transfers to operating reserves			($327,270)	$327,270	$272,685		$5,875		$21,508		$27,202		$0	
Net transfers from operating reserves			$80,000	($80,000)			$0		($80,000)		$0		$0	
Net transfers to capital reserves			($272,367)	$272,367		$70,525		$53,149		$143,581		$5,112		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$6,066,635	$3,244,506	$295,394	$2,526,735	$1,220,487	$287,172	$155,180	$298,617	$206,082	$183,702	$170,383	$5,112	$0	$0

School Jurisdiction Code: 3040

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$826,583	$29,831,220
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$826,583	$29,831,220
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$2,017,618	
	Infrastructure & Transportation-School/Modular Project Capital *	$0	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources		
Interest earned on provincial government capital allocations		$7,779	
Other capital grants and donations		$1,000	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$1,098,093
Expended capital allocations - current year		($1,297,443)	$1,297,443
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$1,498,346
Balance at August 31, 2006		$1,555,537	$30,728,410

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006

1. AUTHORITY AND PURPOSE

Lethbridge School District No. 51 delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

Lethbridge School District No. 51 receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School District is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent upon future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using carefeult judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets are recorded as direct increases in trust assets and liabilities.

b) Inventory

Inventory is recorded as the lesser of cost and net realizable value.

c) Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Capital Assets

Capital assets are recorded at cost. Only assets with an original cost of $5,000 or over are capitalized. No amortization is taken in the year of acquisition. Amortization of the cost is calculated over estimated useful lives on a straight line basis at the following rates:

Buildings	25 - 40 years
Equipment	3 - 5 years
Vehicles	5 - 10 years

Capital assets with costs in excess of $5000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as amortization expense.

e) School Generated Funds

These are funds which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

f) Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

g) Contributed Services

Volunteers assist schools operated by the School District in carrying out certain activities. Because of the difficulty of determining their fair value and of the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

h) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, Lethbridge School District No. 51 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of $660,525 for the Year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported a deficit of $ 863.5 million (deficit of $1.29 billion - 2004).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

j) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

k) Employee Future Benefits

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000/2001 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

3. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Education	$ 225,456	$ 132,261
Alberta Finance	378,631	446,204
Other Province of Alberta	60,827	1,413,775
Federal Government	225,759	275,995
Other Alberta School Jurisdictions	153,676	-
Other	188,423	583,356
Current portion of long term accounts receivable	38,509	-
Total Current	$ 1,271,281	$ 2,851,591

4. LONG TERM ACCOUNTS RECEIVABLE

	2006	2005
Employee Computer Purchase plan receivable	$ 89,714	$ -
Receivable in one year	(38,509)	-
	$ 51,205	$ -

The Employee Computer Purchase plan is a loan to employees for the purchase of computers. The loan is provided at 5.5% interest.

4. LONG TERM ACCOUNTS RECEIVABLE - continued

Amount receivable over the next three years:

2007	$ 38,509
2008	40,681
2009	10,524
	$ 89,714

5. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of $500,000 that bears interest at the bank prime rate. This line of credit, which is secured by a borrowing resolution and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006.

6. ACCOUNTS PAYABLE AND LIABILITIES

	2006	2005
Alberta Education	**150,032**	116,180
Alberta Finance	**378,631**	446,204
Federal Government	**700,574**	724,971
Other Trade Payables and Accrued Liabilities	**1,620,948**	2,504,529
Current Portion of Other Long Term Liabilities	**39,474**	-
	$ 2,889,659	$ 3,675,704

7. DEFERRED REVENUE

	2006	2005
Infrastructure Maintenance Program (from AI&T)	**$ 330,403**	$ 675,400
Infrastructure Maintenance Program (from Alberta Education)	**514,914**	-
Modernization (from AI&T)	**113,974**	113,974
Alberta Initiative for School Improvement (from Alberta Education)	**45,266**	159,798
Classroom Resources Funding (from Alberta Education)	**-**	184,000
Other	**34,742**	21,126
	$ 1,039,299	$ 1,154,298

8. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	2006	2005
Scholarship and Program Trusts	**$ 499,215**	$ 488,816

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006

9. LONG TERM DEBT

a) Debenture Debt -Supported	2006	2005
Alberta Capital Finance Authority debenture debt, at interest rates from 8% to 12%, with various due dates. Security is represented by School Buildings held by the District	$ 6,552,925	$ 7,651,017
Due within one year	(982,958)	(1,072,645)
	$ 5,569,967	$ 6,578,372

Principal payments required within each of the next five fiscal years are as follows:

2007	$	$982,958
2008		$910,630
2009		$877,433
2010		$869,433
2011		$794,988
Thereafter		2,117,483
	$	6,552,925

b) Capital Loan - Unsupported	2006	2005
Royal Bank of Canada, Five year term, renewable demand loan at fixed rate of interest at 4.61% over 5 year term, with principal and interest payment of $5108.82 per month.	$ 777,217	$ -
	(26,021)	-
	$ 751,196	$ -

Principal payments required within each of the next five fiscal years are as follows:

2007	$	$26,021
2008		$27,247
2009		$28,530
2010		$29,873
2011		$31,280
Thereafter		$634,266
	$	777,217

c) Other Long Term Liabilities	2006	2005
Royal Bank of Canada, Three year term, demand loan at fixed rate of interest at 5.30%, with principal and interest payments of $3628 per month.	$ 95,460	$ -
	(39,474)	-
	$ 55,986	$ -

9. LONG TERM DEBT - continued

Principal payments required within each of the next three fiscal years are as follows:

2007	$ 39,474
2008	41,617
2009	14,369
	$ 95,460

10. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

11. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

12. COMMITMENTS

Building Projects

a) The District is committed to further Capital Expenditures for the demolition of the former Central Office facility, and development of parking facilities for the new Education Centre. The cost of the project is estimated at $491,000. Funding of this project is designated through the use of non-instructional operating reserves and district capital reserves.

b) The District is committed to further Capital Expenditures for the building of a new West Lethbridge High School, in conjunction with the West Lethbridge Multi Use Facility project, of approximately $17 million. Funding for this project will be provided by capital allocations from Alberta Education.

13. CONTINGENCIES

a) The School District is a member of the Urban Schools Insurance Consortium. Under the terms of membership, the District could become liable for its proportionate share of any claim losses in excess of the funds held by exchange. The District's share of the pool at year end is $231,099. (2005 - $258,029).

b) The School District is named in a legal action regarding the injury of a student. The action is currently being handled by the District's Insurance provider.

c) The School District is named as a third party in a legal action regarding the failure of a contractor to pay a subcontractor on a construction project. The estimated amount of the claim is $20,200.

13. CONTINGENCIES (continued)

d) The School District is named in a personal injury claim. The action is currently being handled by the District's Insurance provider.

e) Asset Retirement Obligations represent legal obligations associated with the retirement of a tangible long-lived asset that results from its acquisition, construction, development or normal operation. The jurisdiction has a legal obligation to remove hazardous material located at various school sites. A liability, however, has not been recognized because the fair value cannot be reasonably estimated.

14. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
2005-2006	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta:				
Education	225,456	710,212	59,124,172	
Infrastructure and Transportation		444,377	439,774	
Finance	378,631	6,931,556	790,202	
Health and Wellness				
Human Resources/Employment	12,700		169,950	
Other:				
Health authorities		716		52,848
Post-secondary institutions	12,989		138,607	13,257
Other Alberta School Jurisdiction	153,676	34,504	104,964	115,639
Other related parties	2,683		113,978	790,202
Total 2005-2006	786,135	8,121,365	60,881,647	971,946
Total 2004-2005	2,012,490	10,225,819	57,783,953	1,017,915

15. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

Lethbridge School District 51's primary source of income is from the Alberta Government. The District's ability to continue viable operations is dependent on this funding.

16. BUDGET AMOUNTS

The budget was prepared by the School jurisdiction management with Board of Trustees approval given on June 13, 2005. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS

School Jurisdiction Cod 3040

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$59,124,172	$49,411,434	$6,120,290	$1,421,714	$2,170,734	$0
(2) **Alberta Infrastructure & Transportation**	$439,774	$0	$439,774			
(3) **Alberta Finance**	$790,202		$790,202			$0
(4) **Other - Government of Alberta**	$283,928	$283,928	$0	$0	$0	$0
(5) **Federal Government and/or First Nations**	$347,615	$338,634	$0	$0	$8,981	$0
(6) **Other Alberta school authorities**	$104,954	$104,954	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$469,801	$469,801				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$383,360	$358,145	$0	$0	$25,215	$0
(12) **Investment income**	$252,177	$217,090	$13,750	$11,250	$10,087	$0
(13) **Gifts and donations**	$15,917	$15,917	$0	$0		$0
(14) **Rentals of facilities**	$10,250	$3,000	$7,250	$0	$0	$0
(15) **Net school generated funds**	$1,536,853	$1,536,853			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$1,498,346	$0	$1,498,346	$0		$0
(18) **TOTAL REVENUES**	$65,257,349	$52,739,756	$8,869,612	$1,432,964	$2,215,017	$0
EXPENSES						
(19) **Certificated salaries**	$33,657,160	$33,213,584			$443,576	$0
(20) **Certificated benefits**	$4,476,102	$4,422,232			$53,870	$0
(21) **Uncertificated salaries and wages**	$11,458,328	$7,921,881	$2,540,069	$148,213	$848,166	$0
(22) **Uncertificated benefits**	$3,011,142	$2,051,861	$715,759	$18,063	$225,459	$0
(23) **SUB - TOTAL**	$52,602,732	$47,609,558	$3,255,828	$166,276	$1,571,071	$0
(24) **Services, contracts & supplies**	$8,718,639	$3,788,483	$3,303,068	$1,134,374	$492,714	$0
(25) **Cost recoveries between programs**	$0	($35,771)	($72,377)	$100,000	$8,148	
(26) **Net school generated funds**	$1,536,853	$1,536,853				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,498,346	$0	$1,498,346	$0	$0	$0
(28) Unsupported	$172,931	$70,525	$33,713	$5,112	$63,581	$0
(29) Total Amortization	$1,671,277	$70,525	$1,532,059	$5,112	$63,581	$0
Interest on capital debt						
(30) Supported	$790,202	$0	$790,202	$0	$0	$0
(31) Unsupported	$33,414	$0	$0	$0	$33,414	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0		$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$65,353,117	$52,969,648	$8,808,780	$1,405,762	$2,168,928	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	($95,768)	($229,892)	$60,832	$27,202	$46,089	$0

School Jurisdiction Code: 3040

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,455,168
Base Instruction (Gr 1-12)	$38,024,209
Outreach Programs	$52,019
Home Education	$0
Differential Cost Funding *	$7,467,306
Other Provincial Support	
Institutional Programs	$406,101
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$38,394
Provincial Priority Targeted Funding	
Class Size Initiative	$2,375,981
Student Health Initiative (SHI)	$307,351
Alberta Initiative for School Improvement (AISI)	$1,096,085
High Speed Networking	$156,337
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$51,228
Other Alberta Education Revenues (describe): PO&M Funding, Transportation Grants, Defered Classroom resources funding 04	$7,693,993
Total Alberta Education Revenues	$59,124,172

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 3040

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$2,631,957	$3,327,376	$691,239		$0	$0	$6,650,572
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$2,053,884	$639,195	$7,183		$0		$2,700,262
ECS Program Unit (PUF)	$0	$541,745	$133,101		$0		$674,846
Severe Disabilities (Gr 1-12)		$4,171,128	$46,651		$0		$4,217,779
English as a Second Language	$0	$96,388	$0		$0		$96,388
French Language Program & Francisation (all jurisdictions)	$82,598		$5		$0		$82,603
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$290,496	$5,716		$0		$296,212
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$338,505	$78,111	$25,096		$0		$441,712
Alberta Initiative for School Improvement	$651,905	$311,634	$132,546	$0	$0		$1,096,085
Student Health Initiative	$161,898	$138,378			$7,075		$307,351
High Speed Networking			$156,337		$0		$156,337
Class Size	$2,289,222	$0	$0	$86,760	$0		$2,375,982
Children and Youth with Complex Needs (ECS - Gr 12)		$19,500	$0		$0		$19,500
All Other Student Instruction Expenses (ECS - Gr 12)	$29,425,847	$359,791	$2,206,466	$297,383	($42,846)	$0	$33,854,019
TOTAL EXPENSES	$37,635,816	$9,973,742	$3,404,340	$384,143	($35,771)	$0	$52,969,648

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	26.4	18.9
ECS Program Unit (PUF)	0.0	16.0
Severe Disabilities (Gr 1-12)	0.0	123.4

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 3040

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$65,353,117**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over = 4%		**4.00%**
If "Total Net Enrolled Students" are 2,000 and less = 6%		

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,614,125

Considerations for Charter Schools and Small School Boards:

If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2[illegible]14,125**
Less: 2005/2006 Board and System Administration expenses		-$2,168,928
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$445,197

School Jurisdiction Code: 3040

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$1,042,695
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$2,102,181	$1,008,441	$1,093,740	
Student fees (Non-Instructional) (Note 2)	$372,288	$61,411	$310,877	
Donations and grants to schools	$192,999	$902	$192,097	
Other (describe):	$55,747	$16,635	$39,112	
Net Additions to SGF	$2,723,215	$1,087,389		$1,635,826
Net SGF Available for Spending				$2,678,521
Application of Net School Generated Funds:				
Extra-curricular activities			$1,198,714	
School site beautification			$25,682	
Field Trips			$184,801	
Equipment			$30,540	
Family literacy and other community resources			$11,403	
Other (describe):			$85,713	
Net SGF Expended (Note 3)				$1,536,853
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$1,141,668

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 3040

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$2,079,993	$353,421	$0	$0	$106,655	$2,540,069		$2,540,069
Uncertificated benefits	$602,588	$87,549	$0	$0	$25,622	$715,759		$715,759
Sub-total Remuneration	$2,682,581	$440,970	$0	$0	$132,277	$3,255,828		$3,255,828
Contracted Services	$13,050	$864,488	$0	$420,338	$161,443	$1,459,319		$1,459,319
Supplies	$135,166	$154,687	$0	$0	$3,249	$293,102		$293,102
Electricity			$832,988			$832,988		$832,988
Natural Gas/Heating Fuel			$475,762			$475,762		$475,762
Sewer and Water			$109,872			$109,872		$109,872
Telecommunications			$51,095			$51,095		$51,095
Insurance					$80,930	$80,930		$80,930
Amortization of capital assets								
Supported							$1,498,346	$1,498,346
Unsupported						$33,713		$33,713
Total Amortization						$33,713	$1,498,346	$1,532,059
Interest on capital debt								
Supported							$790,202	$790,202
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						($72,377)		($72,377)
TOTAL EXPENSES	$2,830,797	$1,460,145	$1,469,717	$420,338	$377,899	$6,520,232	$2,288,548	$8,808,780
SQUARE METRES								
School Buildings								105,744.6
Non School Buildings								5,525.3

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 3040

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Mureen Calder	1.0	$14,172	$451	$0			$14,623	$5,439
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Patricia Aitchison	1.0	$9,995	$276	$0			$10,271	$2,447
Name	Brian Carlson	1.0	$9,800	$268	$0			$10,068	$2,020
Name	Tyler Demers	1.0	$11,100	$322	$0			$11,422	$3,756
Name	Keith Fowler	1.0	$9,865	$270	$0			$10,135	$1,949
Name	Terry Morris	1.0	$10,385	$94	$0			$10,479	$4,291
Name	Lea Switzer	1.0	$10,320	$289	$0			$10,609	$4,383
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$75,637*	*$1,970*	*$0*			*$77,607*	*$24,285*
Superintendent	Mal Clewes	0.9	$140,943	$10,763	$4,500	$0	$0	$156,206	$12,924
Superintendent	Barry Litun	0.1	$9,513	$1,281	$375	$0	$0	$11,169	$10,564
Secretary/Treasurer	Don Lussier	1.0	$120,356	$20,805	$4,500	$0	$0	$145,661	$5,213
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		470.0	$33,506,706	$4,438,716	$20,467	$0	$0	$37,965,889	
Uncertificated Salaries & Wages		353.0	$11,262,333	$2,927,854	$56,013	$0	$0	$14,246,200	
TOTALS			**$45,115,488**	**$7,401,389**	**$85,855**	**$0**	**$0**	**$52,602,732**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 47

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Living Waters Catholic Regional Division No. 42
Legal Name of School Jurisdiction

Box 1949 Whitecourt, AB T7S 1P6
Mailing Address

Phone (780) 778-5666 FAX (780) 778-2727
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Living Waters Catholic Regional Division No. 42 (Name of School Jurisdiction) presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Camile Joly
Name

"ORIGINAL SIGNED"
Signature

SUPERINTENDENT

Carol Lemay
Name

"ORIGINAL SIGNED"
Signature

SECRETARY TREASURER OR TREASURER

Nieta World
Name

"ORIGINAL SIGNED"
Signature

30-Oct-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 47

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Ferguson Horne

AN ASSOCIATION OF CHARTERED ACCOUNTANTS

4920 - 51 Ave.,
Box 569,
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• KENNETH R. FERGUSON, B.COMM., C.A.
• GEORGE A. HORNE, B.COMM., C.A.

AUDITORS' REPORT

To the Board of Trustees of
Living Waters Catholic Regional Division No. 42

I have audited the statement of financial position of the Living Waters Catholic Regional Division No. 42 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and deferred capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and deferred capital allocations for the year then ended in accordance with generally accepted accounting principles.

I audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Ken Ferguson
CHARTERED ACCOUNTANT

Whitecourt, Alberta
October 24,2006

• Denotes Professional Corporation

School Jurisdiction Code: 47

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$3,115,940	$1,975,393
Accounts receivable (net after allowances)		$752,012	$1,706,464
Prepaid expenses		$92,876	$28,556
Other current assets		$144	$144
Total current assets		$3,960,972	$3,710,557
School generated assets		$318,301	$325,687
Trust assets		$65,599	$96,068
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$725,852	$809,218
Buildings	$29,543,487		
Less: accumulated amortization	($15,359,498)	$14,183,989	$23,670,916
Equipment	$2,550,655		
Less: accumulated amortization	($2,422,493)	$128,162	$175,932
Vehicles	$12,305		
Less: accumulated amortization	($7,383)	$4,922	$7,383
Total capital assets		$15,042,925	$24,663,449
TOTAL ASSETS		$19,387,797	$28,795,761
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$433,585	$1,038,321
Deferred revenue		$159,524	$451,312
Deferred capital allocations		$0	$174,003
Current portion of all long term debt		$374,572	$606,517
Total current liabilities		$967,681	$2,270,153
School generated liabilities		$318,301	$325,687
Trust liabilities		$65,599	$96,068
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$3,271,184	$4,153,625
Less: Current portion of supported debt		($374,572)	($606,517)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$9,773,792	$18,461,644
Total long term liabilities		$13,054,304	$22,430,507
TOTAL LIABILITIES		$14,021,985	$24,700,660
NET ASSETS			
Unrestricted net assets		$259,210	$299,730
Operating Reserves		$2,978,063	$1,616,602
Accumulated Operating Surplus (Deficit)		$3,237,273	$1,916,332
Investment in capital assets		$1,997,949	$2,048,179
Capital Reserves		$130,590	$130,590
Total Capital Funds		$2,128,539	$2,178,769
Total net assets		$5,365,812	$4,095,101
TOTAL LIABILITIES AND NET ASSETS		$19,387,797	$28,795,761

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 47

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$17,241,139	$13,507,178	$18,282,029
Federal Government and/or First Nations	$29,531	$2,000	$2,130
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$11,878	$8,000	$30,968
Transportation fees	$18,565	$10,000	$17,300
Other sales and services	$19,155	$0	$2,469
Investment income	$63,986	$60,000	$80,113
Gifts and donations	$295	$0	$0
Rentals of facilities	$0	$0	$0
Net school generated funds	$458,884	$300,000	$502,950
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$1,049,049	$1,271,970	$1,271,970
Total Revenues	$18,892,482	$15,159,148	$20,189,929
EXPENSES			
Certificated salaries	$7,630,643	$7,372,455	$9,425,026
Certificated benefits	$924,036	$947,660	$1,069,242
Uncertificated salaries and wages	$2,246,943	$1,833,874	$2,879,149
Uncertificated benefits	$532,405	$600,390	$590,573
Services, contracts and supplies	$3,726,933	$2,379,158	$3,923,550
Net school generated funds	$458,884	$300,000	$502,950
Capital and debt services			
Amortization of capital assets			
Supported	$1,049,049	$1,271,970	$1,271,970
Unsupported	$37,760	$34,183	$49,033
Total Amortization of capital assets	$1,086,809	$1,306,153	$1,321,003
Interest on capital debt			
Supported	$374,572	$419,458	$485,007
Unsupported	$0	$0	$0
Total Interest on capital debt	$374,572	$419,458	$485,007
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$16,981,225	$15,159,148	$20,196,500
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$1,911,257	$0	($6,571)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$1,911,257	$0	($6,571)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 47

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$1,911,257	($6,571)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,049,049)	($1,271,970)
Total amortization expense	$1,086,809	$1,321,003
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$954,452	($624,276)
Prepaids and other current assets	($64,320)	$115,057
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($604,736)	($1,386,536)
Deferred revenue	($291,788)	($191,881)
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$1,942,625	($2,045,174)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($622,221)	($5,502,343)
Equipment	($14,103)	($43,496)
Vehicles	$0	$0
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($636,324)	($5,545,839)
C. FINANCING ACTIVITIES		
Capital allocations	$448,218	$3,046,699
Issue of long term debt	$0	$0
Repayment of long term debt	($882,441)	($622,419)
Add back: supported portion	$506,515	$622,419
Other (describe) Hinton Transactions	($238,046)	$0
Total sources (uses) of cash from Financing activities	($165,754)	$3,046,699
Net sources (uses) of cash during year	$1,140,547	($4,544,314)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$1,975,393	$6,519,707
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$3,115,940	$1,975,393

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 47

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	**INVESTMENT IN CAPITAL ASSETS**	**UNRESTRICTED NET ASSETS**	**TOTAL INTERNALLY RESTRICTED NET ASSETS** Cols. 5 to 14	**INTERNALLY RESTRICTED NET ASSETS**									
					School Based		**Infrastructure**		**Board & System Admin.**		**Transportation**		**External Services**	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$4,095,101	$2,048,179	$299,730	$1,747,192	$1,027,186	$0	$375,128	$0	$188,385	$130,590	$25,903	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$4,095,101	$2,048,179	$299,730	$1,747,192	$1,027,186	$0	$375,128	$0	$188,385	$130,590	$25,903	$0	$0	$0
Excess(def) of revenue over expenses	$1,911,257		$1,911,257											
Board funded capital transactions		$14,103	$0	($14,103)	($14,103)	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,086,809)	$1,086,809											
Amortization of capital allocations		$1,049,049	($1,049,049)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($1,920,599)	$1,920,599	$1,749,366		$61,599		$109,634		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to/from capital reserves			$0	$0		$0		$0		$0		$0		$0
Operations transfer or assumption	($640,546)	($26,573)	($68,938)	($545,035)	($409,468)	$0	($86,280)	$0	($43,329)	$0	($5,958)	$0	$0	$0
Balance at August 31, 2006	$5,365,812	$1,997,949	$259,210	$3,108,653	$2,352,981	$0	$350,447	$0	$254,690	$130,590	$19,945	$0	$0	$0

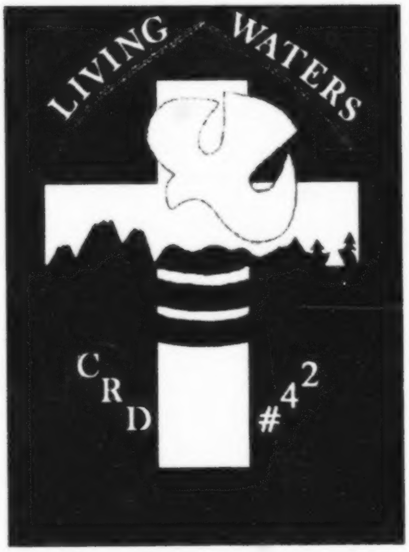
School Jurisdiction Code: 47

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$174,003	$18,461,644
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$174,003	$18,461,644
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$448,218	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$506,515
Expended capital allocations - current year	($622,221)	$622,221
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$8,767,539
Capital allocations amortized to revenue		$1,049,049
Balance at August 31, 2006	$0	$9,773,792

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.



NOTES TO FINANCIAL STATEMENTS

Living Waters Catholic Regional Division No. 42

August 31, 2006

AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. Living Waters Catholic Regional Division No. 42 is limited on certain funding allocations and administration expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

b) Capital Assets

Capital Assets are reflected in the accounts at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Building (masonry construction)	25 years
Building (frame construction)	40 years
Vehicles	5 years
Equipment	5 years

Only capital assets with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

c) School Generated Funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

d) Pensions

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Living Waters Catholic Regional Division No. 42 does not make pension contributions for certificated staff.

e) Prepaid Expenses
Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

f) Contributed Services
Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

g) Financial Instruments
The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 44 of the *School Act* and Section 5 of the Trustees Act.

h) Operating and Capital Reserves
Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

i) Employee Future Benefits
The jurisdiction accounted for the future cost of employee benefits commencing in the 2000-2001 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

2. ACCOUNTS RECEIVABLES

	2006	2005
Province of Alberta	$402,169	$1,133,989
Federal Government	74,650	206,703
Alberta Municipalities	193,187	285,388
Other Alberta school jurisdictions	12,571	0
Other	69,434	80,384
Total	$752,011	$1,706,464

3. INTERNALLY RESTRICTED NET ASSETS

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the board.

Operating Reserves	2005	Appropriated	Used	2006
School	1,027,186.00	1,749,366.00	423,571.00	2,352,981.00
Operations & Maintainance	375,128.00	61,599.00	86,280.00	350,447.00
Board & System Admin.	188,385.00	109,634.00	43,329.00	254,690.00
Transportation	25,903.00	-	5,958.00	19,945.00
External Services	-	-	-	-
Total	1,616,602.00	1,920,599.00	559,138.00	2,978,063.00

Capital Reserves	2004	Appropriated	Used	2005
Land-Supported	-	-	-	-
Land-Unsupported	-	-	-	-
Building-Supported	-	-	-	-
Building-Unsupported	-	-	-	-
Equipment	130,590.00	-	-	130,590.00
Vehicles	-	-	-	-
Total	130,590.00	$0	-	$130,590.00

4. CAPITAL ASSETS

Asset	Cost	Accumulated Amortization	Net Book Value	
			2006	2005
Land	$ 725,852	$ -	$ 725,852	$ 809,218
Buildings	29,543,487	(15,359,498)	14,183,989	23,670,916
Vehicles	12,305	(7,383)	4,922	7,383
Equipment	2,550,655	(2,422,493)	128,162	175,932
Total	$ 32,832,299	$(17,789,374)	$ 15,042,925	$ 24,663,449

5. ACCOUNTS PAYABLE AND LIABILITIES

	2006	2005
Province of Alberta	$205,394	$ 284,520
Federal Government	-	-
Alberta Municipalities	-	247,587
Other Alberta School Jurisdictions	-	-
Other Trade Payables and Accrued Liabilities	$228,191	506,214
Total	$433,585	$ 1,038,321

6. DEFERRED REVENUE

	2006	2005
Technology Integration Funding	$461	$ 42,670
Block Modernization	22,845	22,845
IMP/BQRP	67,007	255,957
Classroom Resource Grant	10,516	41,494
Class Size Funding	30,917	61,088
Plant Operations & Maintenance	-	-
Other	27,777	27,258
Total	$159,524	$ 451,312

7. ALLOCATIONS FROM PROVINCE OF ALBERTA (Related Third Party Transactions)

	2006 Actual	2006 Budget	2005 Actual
Alberta Learning	$15,874,833	$11,873,810	$ 16,095,809
Alberta Infrastructure	961,223	1,213,910	1,698,657
Alberta Finance	1,423,621	1,691,428	1,756,977
Other Government of Alberta	30,511	-	2,557
Total	$18,290,188	$14,779,148	$ 19,554,000

8. OTHER INCOME

	2006 Actual	2006 Budget	2005 Actual
Transportation Fees	$18,565	$10,000	$ 17,300
Federal Government	29,531	2,000	2,130
Other Sales & Services	31,033	8,000	2,469
Investment Income	63,986	60,000	80,113
Gifts & Donations	295	-	-
Total	$143,410	$80,000	$ 102,012

9. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction for following areas:

	2006	2005
Deferred Salary Leave Plan	$59,637	$ 96,068
Scholarship Trusts	5,962	-
Total	$65,599	$ 96,068

10. LONG TERM DEBT

a) Debenture Debt – Supported

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2006-2007	506,515	321,460	827,975
2007-2008	433,515	268,168	701,683
2008-2009	338,148	223,725	561,873
2009-2010	272,333	190,148	462,481
2010-2011	249,910	163,700	413,610
2010 to maturity	1,470,762	508,192	1,978,954
Total	$3,271,183	$1,675,393	$4,946,576

b) Operating Leases – Unsupported

The following is a schedule of the future minimum lease payments including G.S.T. under an operating lease expiring August, 2007 with Toshiba Business Solutions.

For the lease period ending August 31st, 2007	21,259
Less: Refundable portion of G.S.T.	(867)
	$ 20,392

11. DEFERRED CAPITAL ALLOCATIONS

Capital allocations received for qualifying capital projects initiated by the jurisdiction have been capitalized. These allocations are amortized on a basis consistent with the capital asset that the allocation funded. Details of the changes in the deferred capital allocations account are as follows:

	2006	2005
Balance, Beginning of Year	$ 174,002	$ 2,629,646
Allocations received & Receivable During the Year	448,218	3,046,698
Transfers to Unamortized Capital Allocations (note 12)	(622,221)	(5,502,342)
Balance, End of Year	$ -	$174,002

The 2005 year end balance was transferred to Evergreen Catholic School Division due to the transfer of the Hinton Schools. The $174,002 was netted against the allocations received in order to properly reflect Living Waters CRD No. 42 transfers to Unamortized Capital Allocations.

12. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations (UCA) represents the jurisdiction's net investment in capital assets (other than land and equipment) purchased prior to September 1,1995. The total debenture payments increase the balance in the UCA account, with the amortization expense on related assets acting as a deduction to the account. Transfers from the deferred capital allocation account also increase the balance in the UCA account. Details of the changes to the account are as follows:

	2006	2005
Balance, Beginning of Year	$ 18,461,644	$ 13,608,852
Transferred in Capital Assets	-	-
Additions: supported debenture Principal Repayments	506,515	622,419
Transfer from Deferred Capital Allocations (note 11)	622,221	5,502,342
Less – Transfer of Hinton Schools to Evergreen	(8,767,539)	-
Deductions: capital allocation revenue	(1,049,049)	(1,271,970)
Balance, End of Year	$9,773,792	$ 18,461,644

13. SCHOOL GENERATED FUNDS

	2006	2005
Balance, Beginning of Year	$ 325,687	$ 349,241
SGF for the Year	451,499	759,614
Less: Cost of generating funds	-	(335,450)
Donations Received	-	55,232
Net SGF Available for the Year	777,186	828,637
Less: Net SGF Expended for the Year	(458,885)	(502,950)
Balance, End of Year	$ 318,301	$ 325,687

14. CONTINGENCIES

Contingent Asset

The jurisdiction is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

15. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

16. COMPARATIVE FIGURES

The Budget 2006 and Actual 2005 comparative figures have been reclassified where necessary to conform to Actual 2006 presentation.

SCHEDULE A to the AFS

School Jurisdiction Cod 47

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$15,874,833	$13,058,007	$1,690,822	$86,260	$1,039,744	$0
(2) **Alberta Infrastructure & Transportation**	$961,223	$0	$961,223			
(3) **Alberta Finance**	$374,572		$374,572			$0
(4) **Other - Government of Alberta**	$30,511	$0	$0	$0	$30,511	$0
(5) **Federal Government and/or First Nations**	$29,531	$29,531	$0	$0	$0	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$11,878	$11,878				
(10) **Transportation fees**	$18,565			$18,565		
(11) **Other sales and services**	$19,155	$9,187	$9,968	$0	$0	$0
(12) **Investment income**	$63,986	$41,426	$0	$22,560	$0	$0
(13) **Gifts and donations**	$295	$295	$0	$0		$0
(14) **Rentals of facilities**	$0	$0	$0	$0	$0	$0
(15) **Net school generated funds**	$458,884	$458,884			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$1,049,049	$0	$1,049,049	$0		$0
(18) **TOTAL REVENUES**	$18,892,482	$13,609,208	$4,085,634	$127,385	$1,070,255	$0
EXPENSES						
(19) **Certificated salaries**	$7,630,643	$7,500,343			$130,300	$0
(20) **Certificated benefits**	$924,036	$912,937			$11,099	$0
(21) **Uncertificated salaries and wages**	$2,246,943	$1,415,184	$517,156	$0	$314,603	$0
(22) **Uncertificated benefits**	$532,405	$361,930	$105,821	$0	$64,654	$0
(23) **SUB - TOTAL**	$11,334,027	$10,190,394	$622,977	$0	$520,656	$0
(24) **Services, contracts & supplies**	$3,726,933	$1,293,200	$1,967,435	$127,385	$338,913	$0
(25) **Cost recoveries between programs**	$0	($87,316)	$0	$0	$87,316	$0
(26) **Net school generated funds**	$458,884	$458,884				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,049,049	$0	$1,049,049	$0	$0	$0
(28) Unsupported	$37,760	$14,024	$10,000	$0	$13,736	$0
(29) Total Amortization	$1,086,809	$14,024	$1,059,049	$0	$13,736	$0
Interest on capital debt						
(30) Supported	$374,572	$0	$374,572	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$16,981,225	$11,869,186	$4,024,033	$127,385	$960,621	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$1,911,257	$1,740,022	$61,601	$0	$109,634	$0

School Jurisdiction Code: 47

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$373,968
Base Instruction (Gr 1-12)	$8,487,352
Outreach Programs	$52,020
Home Education	$1,272
Differential Cost Funding *	$4,598,948
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$14,320
Provincial Priority Targeted Funding	
Class Size Initiative	$360,726
Student Health Initiative (SHI)	$4,525
Alberta Initiative for School Improvement (AISI)	$218,567
High Speed Networking	$34,808
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$50,480
Other Alberta Education Revenues (describe):	$1,677,847
Total Alberta Education Revenues	$15,874,833

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 47

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$857,067	$386,885	$897,505		$0	$514,378	$2,655,835
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$827,748	$304,783	$42,601		$0		$1,175,132
ECS Program Unit (PUF)	$0	$160,110	$38,694		$0		$198,804
Severe Disabilities (Gr 1-12)	$536,133	$464,688	$137,118		$0		$1,137,939
English as a Second Language	$47,411	$0	$0		$0		$47,411
French Language Program & Francisation (all jurisdictions)	$560,805	$52,500	$10,087		$0		$623,392
First Nations, Metis and Inuit Education (ECS - Gr 12)	$253,795	$86,847	$11,824		$0		$352,466
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$212,815	$7,251	$28,115	$5,339	$0		$253,520
Student Health Initiative	$0	$0	$4,525		$0		$4,525
High Speed Networking			$48,138		$0		$48,138
Class Size	$360,726	$0	$0	$0	$0		$360,726
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$4,756,780	$314,050	$27,784	$0	$0	$0	$5,011,298
TOTAL EXPENSES	$8,413,280	$1,777,114	$1,246,391	$5,339	$0	$514,378	$11,869,186

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	12.1	11.2
ECS Program Unit (PUF)	0.0	6.5
Severe Disabilities (Gr 1-12)	6.9	19.6

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 47

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$16,981,225**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%		**6.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%		

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,018,874
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	1,667	
	$416,160	$1,018,874
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,018,874**
Less: 2005/2006 Board and System Administration expenses		-$960,621
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$58,253

* Input opening carryforward board & system administration amount available from previous years, as determined by Alberta Education and provided to school jurisdiction chief finanical officer contacts.

School Jurisdiction Code: 47

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2004-2005

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$325,687
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$284,451	$229,249	$55,202	
Student fees (Non-Instructional) (Note 2)	$91,989	$0	$91,989	
Donations and grants to schools	$41,245	$0	$41,245	
Other (describe):	$279,574	$16,511	$263,063	
Net Additions to SGF	$697,259	$245,760		$451,499
Net SGF Available for Spending				$777,186
Application of Net School Generated Funds:				
Extra-curricular activities			$149	
School site beautification			$2,707	
Field Trips			$33,945	
Equipment			$945	
Family literacy and other community resources			$0	
Other (describe): school fees, scholarships, grad, $49,762.92 belongs to Evergreen Catholic for Hinton			$421,139	
Net SGF Expended (Note 3)				$458,885
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$318,301

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 47

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	**Custodial**	**Maintenance**	**Utilities and Telecommunications**	**Expensed IMR and Modular Unit Relocations**	**Facility Planning & Operations Administration**	**SUB-TOTAL Operations & Maintenance**	**Supported Capital & Debt Services**	**TOTAL Operations and Maintenance**
Uncertificated salaries and wages	$364,829	$82,482	$0	$0	$69,845	$517,156		$517,156
Uncertificated benefits	$70,241	$14,364	$0	$0	$21,216	$105,821		$105,821
Sub-total Remuneration	$435,070	$96,846	$0	$0	$91,061	$622,977		$622,977
Contracted Services	$20,733	$129,316	$0	$1,003,978	$183,310	$1,337,337		$1,337,337
Supplies	$57,745	$78,899	$0	$0	$37,898	$174,542		$174,542
Electricity			$190,816			$190,816		$190,816
Natural Gas/Heating Fuel			$178,880			$178,880		$178,880
Sewer and Water			$37,658			$37,658		$37,658
Telecommunications			$9,405			$9,405		$9,405
Insurance					$38,797	$38,797		$38,797
Amortization of capital assets								
Supported							$1,049,049	$1,049,049
Unsupported						$10,000		$10,000
Total Amortization						$10,000	$1,049,049	$1,059,049
Interest on capital debt								
Supported							$374,572	$374,572
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$513,548	$305,061	$416,759	$1,003,978	$351,066	$2,600,412	$1,423,621	$4,024,033
SQUARE METRES								
School Buildings								20,207.0
Non School Buildings								298.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 47

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Camile Joly	1.0	$13,792	$493	$0			$14,285	$13,321
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Paul Chauvet	1.0	$4,946	$197	$0			$5,143	$2,777
Name	Gemma Christie	1.0	$8,354	$110	$0			$8,464	$6,249
Name	Kathleen Herndon	1.0	$6,079	$73	$0			$6,152	$3,074
Name	Carey Kostyk	0.7	$3,842	$146	$0			$3,988	$1,646
Name	Peggy Robinson	1.0	$10,167	$310	$0			$10,477	$4,583
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*5.7*	*$47,180*	*$1,329*	*$0*			*$48,509*	*$31,650*
Superintendent	Carol Lemay	1.0	$130,300	$10,869	$0	$0	$0	$141,169	$23,596
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Nieta World	1.0	$102,971	$19,495	$0	$0	$0	$122,466	$12,284
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		117.3	$7,477,548	$913,477	$0	$0	$0	$8,391,025	
Uncertificated Salaries & Wages		76.0	$2,119,588	$511,272	$0	$0	$0	$2,630,860	
TOTALS			**$9,877,587**	**$1,456,442**	**$0**	**$0**	**$0**	**$11,334,029**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 1135

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

LIVINGSTONE RANGE SCHOOL DIVISION NO. 68
Legal Name of School Jurisdiction

P.O. Box 69, Claresholm, Alberta T0L 0T0
Mailing Address

(403) 625-3356 (phone) (403) 625-2424 (fax)
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules LIVINGSTONE RANGE SCHOOL DIVISION NO. 68 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN	
Ken Murray	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT	
Dr. David Rideout	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER	
Don Olsen	"ORIGINAL SIGNED"
Name	Signature

23-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 1135

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AUDITORS' REPORT

To the Board of Trustees of the
Livingstone Range School Division No. 68

We have audited the statement of financial position of the Livingstone Range School Division No. 68 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations and changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Young Parkyn McNab LLP

Lethbridge, Alberta

October 25, 2006

Chartered Accountants

School Jurisdiction Code: 1135

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005 (Restated)
ASSETS			
Current assets			
Cash and temporary investments		$6,525,379	$4,541,476
Accounts receivable (net after allowances)		$942,254	$2,148,022
Prepaid expenses		$45,723	$16,783
Other current assets		$258,595	$196,313
Total current assets		$7,771,951	$6,942,594
School generated assets		$951,596	$829,345
Trust assets		$5	$40,670
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$1,158,361	$1,158,361
Buildings	$50,770,793		
Less: accumulated amortization	($24,794,920)	$25,975,873	$27,749,558
Equipment	$906,147		
Less: accumulated amortization	($445,142)	$461,005	$523,842
Vehicles	$4,433,159		
Less: accumulated amortization	($2,576,490)	$1,856,669	$1,770,327
Total capital assets		$29,451,908	$31,202,088
TOTAL ASSETS		$38,175,460	$39,034,697
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$1,197,850	$800,875
Deferred revenue		$2,383,677	$3,065,140
Deferred capital allocations		$785,448	$811,356
Current portion of all long term debt		$421,420	$439,246
Total current liabilities		$4,788,395	$5,116,617
School generated liabilities		$951,596	$829,345
Trust liabilities		$5	$40,670
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$2,290,438	$2,729,684
Less: Current portion of supported debt		($421,420)	($439,246)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$22,327,172	$23,572,867
Total long term liabilities		$25,147,791	$26,733,320
TOTAL LIABILITIES		$29,936,186	$31,849,937
NET ASSETS			
Unrestricted net assets		$1,233,571	$966,922
Operating Reserves		$2,171,404	$1,306,638
Accumulated Operating Surplus (Deficit)		$3,404,975	$2,273,560
Investment in capital assets		$4,834,299	$4,899,538
Capital Reserves		$0	$11,662
Total Capital Funds		$4,834,299	$4,911,200
Total net assets		$8,239,274	$7,184,760
TOTAL LIABILITIES AND NET ASSETS		$38,175,460	$39,034,697

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 1135

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$35,885,552	$33,455,520	$34,203,283
Federal Government and/or First Nations	$2,444,116	$1,822,500	$2,116,165
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$202,374	$190,570	$191,549
Transportation fees	$0	$0	$0
Other sales and services	$907,267	$505,165	$763,503
Investment income	$107,278	$35,000	$27,642
Gifts and donations	$0	$25,000	$0
Rentals of facilities	$55,331	$42,500	$55,794
Net school generated funds	$1,141,000	$750,000	$1,264,217
Gains on disposal of capital assets	$12,057	$0	$36,946
Amortization of capital allocations	$1,720,133	$1,800,000	$1,694,388
Total Revenues	$42,475,108	$38,626,255	$40,353,487
EXPENSES			
Certificated salaries	$18,820,358	$18,779,371	$18,828,974
Certificated benefits	$2,297,273	$2,142,342	$2,150,851
Uncertificated salaries and wages	$7,224,826	$6,603,922	$6,926,448
Uncertificated benefits	$1,400,408	$1,320,761	$1,406,375
Services, contracts and supplies	$7,996,874	$6,395,816	$7,021,788
Net school generated funds	$1,141,000	$750,000	$1,264,217
Capital and debt services			
Amortization of capital assets			
Supported	$1,720,133	$1,800,000	$1,694,388
Unsupported	$522,555	$481,060	$566,980
Total Amortization of capital assets	$2,242,688	$2,281,060	$2,261,368
Interest on capital debt			
Supported	$275,859	$275,860	$323,652
Unsupported	$0	$0	$0
Total Interest on capital debt	$275,859	$275,860	$323,652
Other interest charges	$709	$3,000	$1,807
Losses on disposal of capital assets	$20,599	$0	$8,241
Total Expenses	$41,420,594	$38,552,132	$40,193,721
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$1,054,514	$74,123	$159,766
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$1,054,514	$74,123	$159,766

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 1135

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$1,054,514	$159,766
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,720,133)	($1,694,388)
Total amortization expense	$2,242,688	$2,261,368
Gains on disposal of capital assets	($12,057)	($36,946)
Losses on disposal of capital assets	$20,599	$8,241
Changes in accrued accounts:		
Accounts receivable	$1,205,768	$1,121,391
Prepaids and other current assets	($71,222)	$21,401
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$396,975	($561,171)
Deferred revenue	($681,463)	$831,593
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$2,435,669	$2,111,255
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($35,192)	($163,157)
Equipment	($125,347)	($211,306)
Vehicles	($447,231)	($285,042)
Net proceeds from disposal of capital assets	$106,720	$54,776
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($501,050)	($604,729)
C. FINANCING ACTIVITIES		
Capital allocations	$9,284	$4,666
Issue of long term debt	$0	$0
Repayment of long term debt	($439,246)	($459,813)
Add back: supported portion	$439,246	$459,813
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$9,284	$4,666
Net sources (uses) of cash during year	$1,943,903	$1,511,192
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$4,581,476	$3,070,284
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$6,525,379	$4,581,476

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 1135

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$7,184,760	$4,899,538	$966,922	$1,318,300	$696,638	$11,662	$0	$0	$210,000	$0	$400,000	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$7,184,760	$4,899,538	$966,922	$1,318,300	$696,638	$11,662	$0	$0	$210,000	$0	$400,000	$0	$0	$0
Excess(def) of revenue over expenses	$1,054,514		$1,054,514											
Board funded capital transactions		$572,578	($454,196)	($118,382)	$0	($54,707)	$0	$0	$0	$0	$0	($63,675)	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,242,688)	$2,242,688											
Amortization of capital allocations		$1,720,133	($1,720,133)											
Disposal of unsupported capital assets	$0	($115,262)	$8,542	$106,720		$43,045		$0		$0		$63,675		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($1,002,438)	$1,002,438	$874,438		$128,000		$0		$0		$0	
Net transfers from operating reserves			$137,672	($137,672)	($137,672)		$0		$0		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$8,239,274	$4,834,299	$1,233,571	$2,171,404	$1,433,404	$0	$128,000	$0	$210,000	$0	$400,000	$0	$0	$0

School Jurisdiction Code: 1135

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$811,356	$23,572,867
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$811,356	$23,572,867
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$9,284	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$439,246
Expended capital allocations - current year	($35,192)	$35,192
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$1,720,133
Balance at August 31, 2006	$785,448	$22,327,172

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Authority and purpose

The School Division delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S - 3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles with the significant policies being as follows:

Revenue recognition
Revenue is recognized as follows:

Instruction and support allocation are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds which are to be retained as net assets are recorded as direct increases in trust assets and liabilities.

Temporary investments
Temporary investments are valued at cost. Accrued interest on these investments is recorded as it is earned.

Inventories
Inventories are recorded at the lesser of cost and net realizable value. Cost is determined on the basis of most recent invoice cost.

Capital assets
Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	2.5 to 10%
Equipment and furnishings	10% and 20%
Vehicles and buses	10% and 20%

2. Summary of significant accounting policies (continued)

Capital assets (continued)
Only capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

School generated funds
These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (eg. yearbook sales, graduation fees, field trip fees, etc.).

Vacation pay
Vacation pay is accrued in the period in which the employee earns the benefit.

Contributed services
Volunteers assist schools operated by the School Division in carrying out certain activities. Because of the difficulty of determining their fair value and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

Pension obligation
Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School Division does not make pension contributions for certificated staff.

The School Board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of $197,899 for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,294,000).

Measurement uncertainty
The financial statements by their nature, contain estimates and are subject to measurement uncertainty. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided based on management's best information available at the time. The amounts recorded for amortization of capital assets are based on estimates of the useful life of the related assets. Pension plan expenses are based on actuarial valuations extrapolated to the reporting date. The effect on the financial statements of changes in such estimates in future periods could be significant.

Financial instruments
The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

2. Summary of significant accounting policies (continued)

Operating and capital reserves
Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Employee future benefits
The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs.

3. Temporary investments

Temporary investments consist of redeemable term investments with the Bank of Montreal in the amount of $2,717,841 (2005 - $2,319,197), bear interest at rates ranging from prime minus 2.10% to prime minus 2.5%, and mature throughout the year.

4. Bank indebtedness

The jurisdiction has negotiated a line of credit in the amount of $1,000,000 that bears interest at the bank prime rate. This line of credit, which is secured by a borrowing by-law and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006 (2005 - $0).

5. Deferred revenue

	2006	2005
Infrastructure modernization program revenue	$ 1,210,794	$ 1,280,463
Block modernization revenue	1,088,916	1,059,779
Blood Tribe prepaid tuition	-	477,581
Alberta Initiative for School Improvement	75,861	242,317
Other	8,106	5,000
	$ 2,383,677	$ 3,065,140

6. Long-term debt

The School Division has issued the following debentures to Alberta Finance to finance construction of school buildings having a carrying value of $25,070,783. The debenture debt is fully supported by Alberta Finance.

7.25% to 16.50% due 2007 to 2019	$	2,290,438
Due within one year		(421,420)
	$	1,869,018

Principal repayments required in each of the next five fiscal years and beyond are as follows:

		Principal		Interest		Total
2007	$	421,420	$	231,965	$	653,385
2008		370,435		185,864		556,299
2009		352,198		147,114		499,312
2010		347,138		111,235		458,373
2011		221,947		78,692		300,639
2012 to maturity		577,300		156,875		734,175

7. Internally restricted net assets

Net assets may be restricted by authorization of the Board of Trustees for future capital and operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the Board.

		2005		Appropriated		Used		2006
Operating Reserves								
School	$	696,638	$	874,438	$	(137,672)	$	1,433,404
Board and System Administration		210,000		-		-		210,000
Operations and Maintenance		-		128,000		-		128,000
Transportation		400,000		-		-		400,000
		1,306,638		1,002,438		(137,672)		2,171,404
Capital Reserves								
Land - unsupported		10,000		-		(10,000)		-
Equipment		1,662		106,720		(108,382)		-
		11,662		106,720		(118,382)		-
	$	1,318,300	$	1,109,158	$	(256,054)	$	2,171,404

8. Related Party Transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta				
Education	$ 251,367	$ 1,286,655	$35,184,065	
Infrastructure & Transportation	-	1,093,505	421,281	
Finance	-		275,859	
Human Resources/Employment	-		4,347	
Other				
Post secondary institutions	-	1,667	20,000	
Total 2005 - 2006	$ 251,367	$ 2,381,827	$35,905,552	$ -
Total 2004 - 2005	$ 1,550,573	$ 2,584,226	$34,223,616	$ -

9. Economic dependence on related third party

The Livingstone Range School Division No. 68's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependant on this funding.

10. Commitment

The Livingstone Range School Division No. 68 has agreed to go forward with an equity interest in a wind power project and off-take power purchase agreement for electric energy. This is a joint commitment with two other school divisions and Alberta Infrastructure. The future commitment by the Livingstone Range School Division No. 68 is $1,397,120.

11. Budget amounts

The budget was prepared by the School jurisdiction management with Board of Trustees approval given on June 22, 2005. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS

School Jurisdiction Code 1135

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$35,184,065	$27,199,371	$3,595,373	$2,958,016	$1,431,305	$0
(2) **Alberta Infrastructure & Transportation**	$421,281	$0	$421,281			
(3) **Alberta Finance**	$275,859		$275,859			$0
(4) **Other - Government of Alberta**	$4,347	$0	$4,347	$0	$0	$0
(5) **Federal Government and/or First Nations**	$2,444,116	$2,208,420	$127,293	$0	$108,403	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$202,374	$202,374				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$907,267	$730,378	$35,236	$50,196	$91,457	$0
(12) **Investment income**	$107,278	$85,132	$10,641	$5,321	$6,184	$0
(13) **Gifts and donations**	$0	$0	$0	$0		$0
(14) **Rentals of facilities**	$55,331	$0	$13,161	$22,170	$20,000	$0
(15) **Net school generated funds**	$1,141,000	$1,141,000			$0	
(16) **Gains on disposal of capital assets**	$12,057	$0	$0	$12,057	$0	$0
(17) **Amortization of capital allocations**	$1,720,133	$0	$1,720,133	$0		$0
(18) **TOTAL REVENUES**	$42,475,108	$31,566,675	$6,203,324	$3,047,760	$1,657,349	$0
EXPENSES						
(19) **Certificated salaries**	$18,820,358	$18,503,491			$316,867	$0
(20) **Certificated benefits**	$2,297,273	$2,237,392			$59,881	$0
(21) **Uncertificated salaries and wages**	$7,224,826	$4,721,695	$1,084,076	$857,288	$561,767	$0
(22) **Uncertificated benefits**	$1,400,408	$938,225	$219,964	$91,244	$150,975	$0
(23) **SUB - TOTAL**	$29,742,865	$26,400,803	$1,304,040	$948,532	$1,089,490	$0
(24) **Services, contracts & supplies**	$7,996,874	$2,862,588	$2,755,963	$1,830,218	$548,105	$0
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$1,141,000	$1,141,000				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,720,133	$0	$1,720,133	$0	$0	$0
(28) Unsupported	$522,555	$135,796	$98,704	$269,010	$19,045	$0
(29) Total Amortization	$2,242,688	$135,796	$1,818,837	$269,010	$19,045	$0
Interest on capital debt						
(30) Supported	$275,859	$0	$275,859	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$709	$0	$0	$0	$709	$0
(33) Losses on disposal of capital assets	$20,599	$20,599	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$41,420,594	$30,560,786	$6,154,699	$3,047,760	$1,657,349	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$1,054,514	$1,005,889	$48,625	$0	$0	$0

School Jurisdiction Code: 1135

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$620,736
Base Instruction (Gr 1-12)	$19,452,330
Outreach Programs	$104,040
Home Education	$7,977
Differential Cost Funding *	$12,892,715
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$0
Provincial Priority Targeted Funding	
Class Size Initiative	$934,432
Student Health Initiative (SHI)	$184,775
Alberta Initiative for School Improvement (AISI)	$709,144
High Speed Networking	$136,627
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe):	$141,289
Total Alberta Education Revenues	$35,184,065

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 1135

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,608,336	$1,844,564	$204,080		$0	$1,297,395	$4,954,375
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$837,386	$535,808	$13,393		$0		$1,386,587
ECS Program Unit (PUF)	$0	$347,856	$78,802		$0		$426,658
Severe Disabilities (Gr 1-12)	$707,766	$1,722,699	$109,520		$0		$2,539,985
English as a Second Language	$0	$165,487	$0		$0		$165,487
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$62,397	$254,031	$34,460		$0		$350,888
Home Education	$0	$0	$7,879		$0		$7,879
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$451,132	$31,445	$226,568	$0	$0		$709,145
Student Health Initiative	$0	$446,362	$24,746		$0		$471,108
High Speed Networking			$283,713		$0		$283,713
Class Size	$934,432	$0	$0	$0	$0		$934,432
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$16,139,435	$311,668	$1,879,427	$0	$0	$0	$18,330,529
TOTAL EXPENSES	$20,740,884	$5,659,920	$2,862,588	$0	$0	$1,297,395	$30,560,786

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	9.6	17.5
ECS Program Unit (PUF)	0.0	4.8
Severe Disabilities (Gr 1-12)	8.2	55.4

Note:

1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 1135

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$41,420,594**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**4.90%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,029,609

Considerations for Charter Schools and Small School Boards:

If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,029,609**
Less: 2005/2006 Board and System Administration expenses		-$1,657,349
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$372,260

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)			Restated	$829,345
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$519,425	$269,264	$250,161	
Student fees (Non-Instructional) (Note 2)	$255,095	$26,119	$228,976	
Donations and grants to schools	$127,305	$0	$127,305	
Other (describe):	$738,477	$81,668	$656,809	
Net Additions to SGF	$1,640,302	$377,051		$1,263,251
Net SGF Available for Spending				$2,092,596
Application of Net School Generated Funds:				
Extra-curricular activities			$191,905	
School site beautification			$70,554	
Field Trips			$106,734	
Equipment			$63,167	
Family literacy and other community resources			$41,139	
Other (describe):			$667,501	
Net SGF Expended (Note 3)				$1,141,000
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$951,596

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1135

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$684,389	$264,249	$0	$0	$135,438	$1,084,076		$1,084,076
Uncertificated benefits	$138,479	$53,431	$0	$0	$28,054	$219,964		$219,964
Sub-total Remuneration	$822,868	$317,680	$0	$0	$163,492	$1,304,040		$1,304,040
Contracted Services	$529,935	$230,172	$0	$421,281	$29,945	$1,211,333		$1,211,333
Supplies	$61,090	$360,236	$0	$0	$14,833	$436,159		$436,159
Electricity			$463,467			$463,467		$463,467
Natural Gas/Heating Fuel			$474,636			$474,636		$474,636
Sewer and Water			$85,493			$85,493		$85,493
Telecommunications			$12,741			$12,741		$12,741
Insurance					$72,134	$72,134		$72,134
Amortization of capital assets								
Supported							$1,720,133	$1,720,133
Unsupported						$98,704		$98,704
Total Amortization						$98,704	$1,720,133	$1,818,837
Interest on capital debt								
Supported							$275,859	$275,859
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,413,893	$908,088	$1,036,337	$421,281	$280,404	$4,158,707	$1,995,992	$6,154,699
SQUARE METRES								
School Buildings								69,577.0
Non School Buildings								3,632.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facity planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 1135

SCHEDULE G to the AFS

DISCLOSURE OF SALARIES AND BENEFITS - 2005-200

(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Ken Murray	1.0	$18,137	$4,472	$0			$22,609	$10,315
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Jim Burdett	1.0	$13,063	$4,149	$0			$17,212	$5,027
Name	Gini Decoux-Filipuzzi	1.0	$16,012	$4,309	$0			$20,321	$10,615
Name	Kelly Hall	1.0	$13,225	$4,177	$0			$17,402	$3,427
Name	Howard Paulsen	1.0	$19,821	$4,484	$0			$24,305	$8,235
Name	Dick Peterson	1.0	$14,838	$4,247	$0			$19,085	$9,018
Name	Martha Ratcliffe	1.0	$12,925	$4,155	$0			$17,080	$5,303
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$108,021*	*$29,993*	*$0*			*$138,014*	*$51,940*
Superintendent	Dr. David Rideout	1.0	$131,352	$17,426	$5,100	$0	$0	$153,878	$23,185
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Don Olsen	1.0	$106,008	$25,919	$4,800	$0	$0	$136,727	$5,454
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		244.3	$18,689,006	$2,279,848	$0	$0	$0	$20,968,854	
Uncertificated Salaries & Wages		227.4	$7,010,797	$1,344,495	$0	$0	$0	$8,355,292	
TOTALS			**$26,045,184**	**$3,697,681**	**$9,900**	**$0**	**$0**	**$29,752,765**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 4501

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Medicine Hat Catholic Separate Regional Division No. 20
Legal Name of School Jurisdiction

1251 - 1st Avenue S.W. Medicine Hat, AB T1A 8B4
Mailing Address

403-527-2292 403-529-0917
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Medicine Hat Catholic Separate Regional Division No. 20 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Mario Rosetto — "ORIGINAL SIGNED"
Name — Signature

SUPERINTENDENT

Dr. Guy Tetrault — "ORIGINAL SIGNED"
Name — Signature

SECRETARY TREASURER OR TREASURER

Bernard Girardin, MBA — "ORIGINAL SIGNED"
Name — Signature

12-Dec-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 4501

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Auditor's Report

To the Board of Trustees
Medicine Hat Catholic Separate Regional Division No. 20

We have audited the statement of financial position of the Medicine Hat Catholic Separate Regional Division No. 20 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Medicine Hat Catholic Separate Regional Division No. 20 as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Meyers Norris Penny LLP
Chartered Accountants

Medicine Hat, Alberta
November 16, 2006

School Jurisdiction Code: 4501

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$1,266,489	$882,411
Accounts receivable (net after allowances)		$1,701,458	$2,124,637
Prepaid expenses		$397,655	$324,118
Other current assets		$130,304	$151,340
Total current assets		$3,495,905	$3,482,506
School generated assets		$294,076	$239,632
Trust assets		$11,703	$7,553
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$225,905	$225,905
Buildings	$26,315,514		
Less: accumulated amortization	($7,682,487)	$18,633,027	$17,529,547
Equipment	$963,061		
Less: accumulated amortization	($121,421)	$841,640	$920,834
Vehicles	$88,761		
Less: accumulated amortization	($62,318)	$26,443	$44,195
Total capital assets		$19,727,014	$18,720,481
TOTAL ASSETS		$23,528,699	$22,450,172
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$2,755,254	$1,957,916
Deferred revenue		$71,134	$374,685
Deferred capital allocations		$48,983	$623,979
Current portion of all long term debt		$145,902	$162,413
Total current liabilities		$3,021,273	$3,118,993
School generated liabilities		$294,076	$239,632
Trust liabilities		$11,703	$7,553
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$1,143,745	$1,306,158
Less: Current portion of supported debt		($145,902)	($162,413)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$17,921,243	$16,988,764
Total long term liabilities		$19,224,865	$18,379,694
TOTAL LIABILITIES		$22,246,138	$21,498,686
NET ASSETS			
Unrestricted net assets		$106,855	$98,843
Operating Reserves		$513,679	$407,082
Accumulated Operating Surplus (Deficit)		$620,534	$505,925
Investment in capital assets		$662,027	$425,561
Capital Reserves		$0	$20,000
Total Capital Funds		$662,027	$445,561
Total net assets		$1,282,561	$951,486
TOTAL LIABILITIES AND NET ASSETS		$23,528,699	$22,450,172

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 4501

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006 Restated	Actual 2005
REVENUES			
Government of Alberta	$21,963,253	$22,065,468	$20,383,812
Federal Government and/or First Nations	$67,872	$60,000	$0
Other Alberta school authorities	$0	$0	$58,134
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$200,159	$190,787	$194,415
Transportation fees	$0	$0	$0
Other sales and services	$396,104	$264,560	$342,889
Investment income	$32,031	$25,000	$29,774
Gifts and donations	$14,605	$0	$14,189
Rentals of facilities	$235,765	$226,704	$216,130
Net school generated funds	$637,133	$600,000	$586,569
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$666,728	$580,700	$432,827
Total Revenues	$24,213,650	$24,013,219	$22,258,739
EXPENSES			
Certificated salaries	$11,817,142	$11,911,648	$11,078,449
Certificated benefits	$1,574,734	$1,650,561	$1,434,015
Uncertificated salaries and wages	$3,596,648	$3,652,203	$3,278,170
Uncertificated benefits	$953,090	$958,079	$882,484
Services, contracts and supplies	$4,475,966	$4,498,931	$3,952,042
Net school generated funds	$637,133	$600,000	$586,569
Capital and debt services			
Amortization of capital assets			
Supported	$666,728	$580,700	$432,827
Unsupported	$24,223	$0	$22,742
Total Amortization of capital assets	$690,951	$580,700	$455,569
Interest on capital debt			
Supported	$134,139	$145,000	$152,582
Unsupported	$0	$0	$0
Total Interest on capital debt	$134,139	$145,000	$152,582
Other interest charges	$2,772	$3,000	$2,653
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$23,882,575	$24,000,122	$21,822,533
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$331,075	$13,097	$436,206
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$331,075	$13,097	$436,206

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$331,075	$436,206
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($666,728)	($432,827)
Total amortization expense	$690,951	$455,569
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$423,179	($468,678)
Prepaids and other current assets	($52,501)	$90,019
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$797,338	$478,546
Deferred revenue	($303,551)	$153,336
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$1,219,764	$712,171
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($1,681,930)	($670,289)
Equipment	($15,555)	($875,374)
Vehicles		$0
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($1,697,485)	($1,545,663)
C. FINANCING ACTIVITIES		
Capital allocations	$861,799	$1,598,836
Issue of long term debt	$0	$0
Repayment of long term debt	($162,413)	($191,108)
Add back: supported portion	$162,413	$191,108
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$861,799	$1,598,836
Net sources (uses) of cash during year	$384,078	$765,344
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$882,411	$117,067
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$1,266,489	$882,411

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006
(in dollars)

School Jurisdiction 4501

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	**INVESTMENT IN CAPITAL ASSETS**	**UNRESTRICTED NET ASSETS**	**TOTAL INTERNALLY RESTRICTED NET ASSETS** Cols. 5 to 14	**INTERNALLY RESTRICTED NET ASSETS**									
					School Based		**Infrastructure**		**Board & System Admin.**		**Transportation**		**External Services**	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$951,486	$425,561	$98,843	$427,082	$344,415	$0	$46,667	$20,000	$16,000	$0	$0	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$951,486	$425,561	$98,843	$427,082	$344,415	$0	$46,667	$20,000	$16,000	$0	$0	$0	$0	$0
Excess(def) of revenue over expenses	$331,075		$331,075											
Board funded capital transactions		$260,689	($260,689)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($690,951)	$690,951											
Amortization of capital allocations		$666,728	($666,728)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($106,597)	$106,597	$31,597		$35,000		$40,000		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$20,000	($20,000)		$0		($20,000)		$0		$0		$0
Balance at August 31, 2006	$1,282,561	$662,027	$106,855	$513,679	$376,012	$0	$81,667	$0	$56,000	$0	$0	$0	$0	$0

School Jurisdiction Code: 4501

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$623,979	$16,988,764
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$623,979	$16,988,764
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$727,799	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$134,000	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$162,413
Expended capital allocations - current year	($1,436,794)	$1,436,794
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$666,728
Balance at August 31, 2006	$48,983	$17,921,243

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The Medicine Hat Catholic Separate Regional Division No. 20 delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a. REVENUE RECOGNITION

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Externally restricted capital allocations from the province or other agencies are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts invested representing funded capital assets are then transferred to unamortized capital allocations. Unamortized capital allocations are recognized as amortization of capital allocations revenue in the periods which the related amortization expense of the funded capital asset is recorded.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Interest earned on trust assets and liabilities is recorded as direct increases in trust assets and liabilities.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b. CAPITAL ASSETS

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis. Donated assets are recorded at fair market value at the time of the donation. No amortization is taken in the year of acquisition and a full year of amortization is taken in the year of disposal. The rates are as follows:

Buildings	40 years
Equipment	5 years
Vehicles	5 years
Site Improvements	20 years

Only capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

Included in the balance of buildings on the statement of financial position is site improvements of $418,796 with accumulated amortization of nil (2005: cost and accumulated amortization of $nil).

c. SCHOOL GENERATED FUNDS

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

d. VACATION PAY

Vacation pay is accrued in the period in which the employee earns the benefit.

e. PENSIONS

Pension costs included in these statements comprise the cost of employer contributions for current services of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Medicine Hat Catholic Separate Regional Division No. 20 does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $147,134 (2005 - $127,918) for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

f. PREPAID EXPENSES

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

g. CONTRIBUTED SERVICES

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

h. FINANCIAL INSTRUMENTS

These consist of cash, accounts receivable, temporary and long-term investments, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

i. OPERATING AND CAPITAL RESERVES

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

j. EMPLOYEE FUTURE BENEFITS

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2006, the total expense recorded in the financial statements is $55,567 (2005: $74,819).

k. MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimate and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Amortization is based on the estimated useful lives of capital assets. Amortization of capital allocations is based on the related estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

3. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Learning	$ 270,413	$ 68,545
Alberta Infrastructure	367,388	964,171
Other Province of Alberta	49,150	149,801
Federal Government	126,894	89,210
Alberta Municipalities	515,947	525,822
Other	371,666	327,088
Total	$ 1,701,458	$ 2,124,637

MNP

MEDICINE HAT CATHOLIC SEPARATE REGIONAL DIVISION NO. 20

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

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4. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of $1,156,000 (2005: $1,0730,000) that bears interest at bank prime rate less 0.25% (2005: interest at prime rate less 0.25%). This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006 ($0 in 2005).

5. ACCOUNTS PAYABLE AND LIABILITIES

	2006	2005
Alberta Education	$ 539,463	$ 577,361
Alberta Finance	49,150	55,747
Other Alberta School Jurisdictions	242,168	170,488
Other trade payables and accrued liabilities	1,924,473	1,154,320
Total	$ 2,755,254	$ 1,957,916

6. DEFERRED REVENUE

	2006	2005
Infrastructure Maintenance Renewal (formerly IMP)	$ 71,134	$ 247,485
Other	-	127,200
Total	$ 71,134	$ 374,685

7. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	2006	2005
Scholarship trusts	$ 11,703	$ 7,553

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

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8. LONG-TERM DEBT

a. DEBENTURE DEBT – SUPPORTED

The debenture debt bears interest at rates varying between 10.000% and 12.000%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2006-2007	$ 145,902	$ 123,114	$ 269,016
2007-2008	145,902	107,474	253,376
2008-2009	143,596	91,834	235,430
2009-2010	143,596	76,471	220,067
2010-2011	143,596	61,108	204,703
2011 to maturity	421,153	-	421,153
Total	$ 1,143,745	$ 460,000	$ 1,182,592

b. CAPITAL LEASES - UNSUPPORTED

Currently, there is no capital leases held by the jurisdiction.

9. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

10. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

11. COMMITMENTS

a) Capital Expenditures
The jurisdiction is committed to purchase an automated dispatching system for substitute teachers and an upgraded financial system for approximately $160,930 with $56,000 to be funded by reserves and the remainder by a lease agreement.

b) Operating Leases
The Division has entered into various lease agreements with estimated minimum annual payments as follows:

2006 – 2007	$ 131,076
2007 – 2008	$ 86,456
2008 – 2009	$ 54,346

11. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and as such was not audited.

12. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

13. ECONOMIC DEPENDENCE

The Medicine Hat Catholic Separate Regional Division No. 20's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

14. CONTINGENCIES

The jurisdiction is a member of an Urban School Insurance Consortium. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

The jurisdiction is contingently liable for corporate credit cards issued with a combined authorized credit limit of $1,025,200 (2005 - $881,650). The amount charged against this limit is $78,570 ($113,815 in 2005).

MEDICINE HAT CATHOLIC SEPARATE REGIONAL DIVISION NO. 20

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

15. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
2005-2006	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta:				
Education	$ 266,868	$ 539,463	$ 21,578,084	$ -
Infrastructure & Transportation	367,388	-	247,485	-
Finance	49,150	1,192,895	134,139	-
Health & Wellness	-	-	-	-
Human Resources/Employment	3,545	-	3,545	-
Other Gov't of Alberta Departments:				
Children's Services	-	-	-	-
Health and Wellness	-	-	-	-
Other: Health authorities – Palliser Health Region	-	-	-	25,998
Post-secondary institutions:				
Medicine Hat College	-	-	-	177
University of Alberta	-	-	-	4,867
University of Lethbridge	-	-	-	350
Lethbridge Community College	-	-	-	30
Other Alberta school jurisdictions:				
Calgary School Dist. No.19	-	-	-	28,215
Edmonton School Dist. No.7	-	-	-	1,140
Greater St. Albert Catholic Regional Div. No.29	-	163,953	-	163,953
Medicine Hat School Dist. No.76	-	-	-	76,168
Prairie Rose School Div. No.8	-	-	-	17,466
Red Deer Catholic School Div.39	-	41,816	-	41,816
Other related parties:				
Centre for academic and personal excellence institute (CAPE)	61,223	36,395	221,014	110,530
Alberta Distance Learning	-	-	-	10,050
TOTAL 2005-2006	**$748,174**	**$1,974,522**	**$22,184,267**	**$480,760**
TOTAL 2004-2005	**$1,225,363**	**$1,947,341**	**$20,594,057**	**$319,988**

MNP

SCHEDULE A to the AFS

School Jurisdiction Cod 4501

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

	REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1)	**Alberta Education**	$21,578,084	$17,581,503	$2,207,402	$638,979	$1,150,200	$0
(2)	**Alberta Infrastructure & Transportation**	$247,485	$0	$247,485			
(3)	**Alberta Finance**	$134,139		$134,139			$0
(4)	**Other - Government of Alberta**	$3,545		$3,545	$0	$0	$0
(5)	**Federal Government and/or First Nations**	$67,872	$67,872	$0	$0	$0	$0
(6)	**Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7)	**Out of province authorities**	$0	$0	$0	$0	$0	$0
(8)	**Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9)	**Instruction resource fees**	$200,159	$200,159				
(10)	**Transportation fees**	$0			$0		
(11)	**Other sales and services**	$396,104	$386,115	$2,507	$0	$7,482	
(12)	**Investment income**	$32,031	$0	$0	$0	$32,031	
(13)	**Gifts and donations**	$14,605	$14,605	$0	$0		$0
(14)	**Rentals of facilities**	$235,765	$38,269	$197,496	$0	$0	$0
(15)	**Net school generated funds**	$637,133	$637,133			$0	
(16)	**Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17)	**Amortization of capital allocations**	$666,728		$666,728	$0		$0
(18)	**TOTAL REVENUES**	$24,213,650	$18,925,656	$3,459,302	$638,979	$1,189,713	$0
	EXPENSES						
(19)	**Certificated salaries**	$11,817,142	$11,570,454			$246,688	$0
(20)	**Certificated benefits**	$1,574,734	$1,515,666			$59,068	$0
(21)	**Uncertificated salaries and wages**	$3,596,648	$2,156,414	$1,026,762	$0	$413,472	$0
(22)	**Uncertificated benefits**	$953,090	$594,330	$260,285	$0	$98,475	$0
(23)	**SUB - TOTAL**	$17,941,614	$15,836,864	$1,287,047	$0	$817,703	$0
(24)	**Services, contracts & supplies**	$4,475,966	$2,329,222	$1,112,242	$665,264	$369,238	$0
(25)	**Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26)	**Net school generated funds**	$637,133	$637,133				
	Capital and debt services						
	Amortization of capital assets						
(27)	Supported	$666,728		$666,728	$0	$0	$0
(28)	Unsupported	$24,223		$24,223	$0	$0	$0
(29)	Total Amortization	$690,951	$0	$690,951	$0	$0	$0
	Interest on capital debt						
(30)	Supported	$134,139	$0	$134,139	$0	$0	$0
(31)	Unsupported	$0	$0	$0	$0	$0	$0
(32)	Other interest charges	$2,772		$0	$0	$2,772	$0
(33)	Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34)	**TOTAL EXPENSES**	$23,882,575	$18,803,219	$3,224,379	$665,264	$1,189,713	$0
(35)	**EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$331,075	$122,437	$234,923	($26,285)	$0	$0

School Jurisdiction Code: 4501

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$572,400
Base Instruction (Gr 1-12)	$13,995,609
Outreach Programs	$0
Home Education	$0
Differential Cost Funding *	$5,796,150
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$27,462
Provincial Priority Targeted Funding	
Class Size Initiative	$591,620
Student Health Initiative (SHI)	$28,616
Alberta Initiative for School Improvement (AISI)	$349,938
High Speed Networking	$66,462
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$149,827
Other Alberta Education Revenues (describe)	$0
Total Alberta Education Revenues	$21,578,084

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Huttente Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 4501

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,598,546	$830,494	$466,007		$0	$0	$2,895,047
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$1,121,580	$45,167	$146,032		$0		$1,312,779
ECS Program Unit (PUF)	$108,237	$531,850	$250,939		$0		$891,026
Severe Disabilities (Gr 1-12)	$326,063	$793,748	$80,867		$0		$1,200,678
English as a Second Language	$0	$34,203	$0		$0		$34,203
French Language Program & Francisation (all jurisdictions)	$168,701	$0	$7,980		$0		$176,681
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$0		$0		$0
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$262,220	$4,866	$77,208	$13,068	$0		$357,362
Student Health Initiative	$0	$28,616	$0		$0		$28,616
High Speed Networking			$66,462		$0		$66,462
Class Size	$591,620	$0	$0	$0	$0		$591,620
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$8,909,153	$481,800	$226,391	$994,268	$0	$637,133	$11,248,745
TOTAL EXPENSES	$13,086,120	$2,750,744	$1,321,886	$1,007,336	$0	$637,133	$18,803,219

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	10.9	1.6
ECS Program Unit (PUF)	1.3	19.2
Severe Disabilities (Gr 1-12)	3.0	28.2

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 4501

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	$23,882,575

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	5.60%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,337,424
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	2,799	
	$83,648	$1,337,424
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,337,424**
Less: 2005/2006 Board and System Administration expenses		-$1,189,713
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$147,711

School Jurisdiction Code: 4501

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$239,632
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$506,813	$235,280	$271,533	
Student fees (Non-Instructional) (Note 2)	$282,026	$0	$282,026	
Donations and grants to schools	$138,018	$0	$138,018	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$926,857	$235,280		$691,577
Net SGF Available for Spending				$931,209
Application of Net School Generated Funds:				
Extra-curricular activities			$525,972	
School site beautification			$0	
Field Trips			$86,335	
Equipment			$16,993	
Family literacy and other community resources			$7,833	
Other (describe):			$0	
Net SGF Expended (Note 3)				$637,133
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$294,076

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 4501

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$781,003	$177,721	$0	$0	$68,038	$1,026,762		$1,026,762
Uncertificated benefits	$201,618	$44,065	$0	$0	$14,602	$260,285		$260,285
Sub-total Remuneration	$982,621	$221,786	$0	$0	$82,640	$1,287,047		$1,287,047
Contracted Services		$101,423	$0	$207,178	$0	$308,601		$308,601
Supplies	$82,056	$188,519	$0	$0	$0	$270,575		$270,575
Electricity			$260,320			$260,320		$260,320
Natural Gas/Heating Fuel			$104,269			$104,269		$104,269
Sewer and Water			$78,063			$78,063		$78,063
Telecommunications			$9,657			$9,657		$9,657
Insurance					$80,757	$80,757		$80,757
Amortization of capital assets								
Supported							$666,728	$666,728
Unsupported						$24,223		$24,223
Total Amortization						$24,223	$666,728	$690,951
Interest on capital debt								
Supported							$134,139	$134,139
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,064,677	$511,728	$452,309	$207,178	$163,397	$2,423,512	$800,867	$3,224,379
SQUARE METRES								
School Buildings								35,644.0
Non School Buildings								1,591.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety stalndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 4501

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Mario Rossetto	1.0	$15,869	$1,029	$0			$16,898	$5,706
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Lee Little	1.0	$13,029	$1,955	$0			$14,984	$25
Name	Kelly Van Ham	1.0	$13,329	$929	$0			$14,258	$2,638
Name	Immanuel Moritz	1.0	$14,329	$979	$0			$15,308	$2,895
Name	Michael Tivadar	1.0	$14,458	$348	$0			$14,806	$6,388
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*5.0*	*$71,014*	*$5,240*	*$0*			*$76,254*	*$17,652*
Superintendent		1.0	$130,920	$19,442	$0	$0	$0	$150,362	$18,814
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Bernard Girardin	1.0	$110,240	$26,191	$0	$0	$0	$136,431	$9,325
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		157.7	$11,686,222	$1,498,482	$0	$0	$0	$13,184,704	
Uncertificated Salaries & Wages		118.4	$3,486,708	$926,899	$0	$0	$0	$4,413,607	
TOTALS			**$15,485,104**	**$2,476,254**	**$0**	**$0**	**$0**	**$17,961,358**	

Note: Please refer to completion information on page 15

School Jurisdiction Code 3050

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Medicine Hat School District No. 76
Legal Name of School Jurisdiction

601 First Avenue SW Medicine Hat, Alberta T1A 4Y7
Mailing Address

(403) 528-6728 & (403)529-5339
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Medicine Hat School District No. 76
(Name of School Jurisdiction)
presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Deborah Forbes	**"ORIGINAL SIGNED"**
Name	**Signature**

SUPERINTENDENT

Linda Rossler	**"ORIGINAL SIGNED"**
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Jerry Labossiere	**"ORIGINAL SIGNED"**
Name	**Signature**

6-Mar-07
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

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JOHNSTON
MORRISON
HUNTER
& Co. LLP

AUDITORS' REPORT

TO THE BOARD OF TRUSTEES
MEDICINE HAT SCHOOL DISTRICT NO. 76

We have audited the statement of financial position of the **Medicine Hat School District No. 76** as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

JOHNSTON MORRISON HUNTER & CO. LLP

CHARTERED ACCOUNTANTS

MEDICINE HAT, ALBERTA
NOVEMBER 27, 2006

School Jurisdiction Code: 3050

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$6,577,251	$5,620,254
Accounts receivable (net after allowances)		$565,404	$2,009,287
Prepaid expenses		$107,950	$187,559
Other current assets		$448,677	$662,000
Total current assets		$7,699,282	$8,479,100
School generated assets		$981,396	$867,218
Trust assets		$1,852,277	$1,389,331
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$1,962,982	$1,962,982
Buildings	$46,939,936		
Less: accumulated amortization	($24,181,045)	$22,758,891	$23,833,612
Equipment	$3,706,467		
Less: accumulated amortization	($1,871,031)	$1,835,436	$1,426,848
Vehicles	$317,782		
Less: accumulated amortization	($253,643)	$64,139	$77,830
Total capital assets		$26,621,448	$27,301,272
TOTAL ASSETS		$37,154,403	$38,036,921
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$1,553,566	$1,128,554
Deferred revenue		$361,786	$2,324,419
Deferred capital allocations		$475,578	$634,134
Current portion of all long term debt		$816,704	$865,549
Total current liabilities		$3,207,634	$4,952,656
School generated liabilities		$981,396	$867,218
Trust liabilities		$1,852,277	$1,389,331
Employee future benefits liability		$0	
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$3,878,052	$4,572,602
Less: Current portion of supported debt		($640,290)	($694,550)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$1,097,029	$663,662
Mortgages		$0	$0
Less: Current portion of unsupported debt		($176,414)	($170,999)
Other long term liabilities		$0	$0
Unamortized capital allocations		$18,132,759	$18,537,030
Total long term liabilities		$25,124,809	$25,164,294
TOTAL LIABILITIES		$28,332,443	$30,116,950
NET ASSETS			
Unrestricted net assets		$249,796	$83,439
Operating Reserves		$3,651,553	$2,901,553
Accumulated Operating Surplus (Deficit)		$3,901,349	$2,984,992
Investment in capital assets		$3,513,612	$3,527,980
Capital Reserves		$1,406,999	$1,406,999
Total Capital Funds		$4,920,611	$4,934,979
Total net assets		$8,821,960	$7,919,971
TOTAL LIABILITIES AND NET ASSETS		$37,154,403	$38,036,921

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 3050

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$49,273,169	$47,489,378	$45,091,626
Federal Government and/or First Nations	$57,536	$63,336	$67,866
Other Alberta school authorities	$107,016	$53,410	$124,180
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$5,032	$0	$9,875
Instruction resource fees	$499,150	$425,850	$533,263
Transportation fees	$0	$0	$0
Other sales and services	$841,034	$225,731	$966,335
Investment income	$315,024	$167,618	$181,604
Gifts and donations	$86,421	$0	$81,940
Rentals of facilities	$142,989	$114,000	$138,819
Net school generated funds	$1,997,926	$1,716,163	$1,925,129
Gains on disposal of capital assets	$140,938	$0	$26,210
Amortization of capital allocations	$1,219,536	$981,582	$1,009,961
Total Revenues	$54,685,771	$51,237,068	$50,156,808
EXPENSES			
Certificated salaries	$27,109,833	$27,449,381	$26,073,592
Certificated benefits	$3,888,091	$3,989,614	$3,510,845
Uncertificated salaries and wages	$8,050,843	$7,179,572	$7,430,433
Uncertificated benefits	$1,964,590	$1,836,851	$1,914,756
Services, contracts and supplies	$8,540,245	$7,273,659	$7,389,582
Net school generated funds	$1,997,926	$1,716,163	$1,925,129
Capital and debt services			
Amortization of capital assets			
Supported	$1,219,536	$981,582	$1,009,961
Unsupported	$567,698	$292,532	$323,493
Total Amortization of capital assets	$1,787,234	$1,274,114	$1,333,454
Interest on capital debt			
Supported	$415,895	$439,561	$512,246
Unsupported	$29,125	$69,553	$60,846
Total Interest on capital debt	$445,020	$509,114	$573,092
Other interest charges	$0	$8,600	$4,109
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$53,783,782	$51,237,068	$50,154,992
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$901,989	$0	$1,816
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$901,989	$0	$1,816

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 3050

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$901,989	$1,816
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,219,536)	($1,009,961)
Total amortization expense	$1,787,234	$1,333,454
Gains on disposal of capital assets	($140,938)	($26,210)
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$1,443,883	$1,393,483
Prepaids and other current assets	$292,932	($151,587)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$425,012	$226,542
Deferred revenue	($1,962,633)	$535,323
Employee future benefit expense (recovery)	$0	$0
Other (describe)		$0
Total sources (uses) of cash from Operations	$1,527,943	$2,302,860
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($166,809)	($94,049)
Equipment	($1,150,056)	($763,391)
Vehicles	($28,589)	($59,046)
Net proceeds from disposal of capital assets	$378,982	$53,819
Other (describe)	$0	$0
Total sources (uses) of cash from investing activities	($966,472)	($862,667)
C. FINANCING ACTIVITIES		
Capital allocations	$0	$38
Issue of long term debt	$695,900	$0
Repayment of long term debt	($957,083)	($649,684)
Add back: supported portion	$694,550	$735,650
Other (describe) Expended deferred capital allocations	($37,841)	$0
Total sources (uses) of cash from Financing activities	$395,526	$86,004
Net sources (uses) of cash during year	$956,997	$1,526,197
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$5,620,254	$4,094,057
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$6,577,251	$5,620,254

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 3050

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$7,919,971	$3,527,980	$83,439	$4,308,552	$296,402	$641,604	$11,215	$275,369	$619,544	$490,026	$1,414,954	$0	$559,438	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$7,919,971	$3,527,980	$83,439	$4,308,552	$296,402	$641,604	$11,215	$275,369	$619,544	$490,026	$1,414,954	$0	$559,438	$0
Excess(def) of revenue over expenses	$901,989		$901,989											
Board funded capital transactions		$150,358	($150,358)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,787,234)	$1,787,234											
Amortization of capital allocations		$1,219,536	($1,219,536)											
Disposal of unsupported capital assets	$0	$140,438	($140,438)	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$262,534	($262,534)											
Net transfers to operating reserves			($750,000)	$750,000	$0		$0		$750,000		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$8,821,960	$3,513,612	$249,796	$5,058,552	$296,402	$641,604	$11,215	$275,369	$1,369,544	$490,026	$1,414,954	$0	$559,438	$0

School Jurisdiction Code: 3050

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$634,134	$18,537,030
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$634,134	$18,537,030
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$40,326
Current Year Debenture Principal Repayment		$694,550
Expended capital allocations - current year	($158,556)	$158,556
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$78,167
Capital allocations amortized to revenue		$1,219,536
Balance at August 31, 2006	$475,578	$18,132,759

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

MEDICINE HAT SCHOOL DISTRICT NO. 76

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

NOTE 1 AUTHORITY AND PURPOSE

Medicine Hat School District No. 76 delivers education programs under the authority of the School Act, Revised Statues of Alberta 2000, Chapter S-3. The jurisdiction is exempt from payment of income tax under Section 149 of the Income Tax Act.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. Medicine Hat School District No. 76 is limited on certain funding allocations and administration expenses.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) PREPAID EXPENSES

Certain expenses incurred and paid before the close of the school year are for specific school supplies, and insurance, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses.

(b) INVENTORIES

Inventories are valued at the lower of cost (cost determined on an average basis) and net realizable value.

(c) SCHOOL GENERATED FUNDS

These are funds raised in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenses paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

(d) TRUST ASSETS

Trust assets are recorded at cost unless there has been an other than temporary decline in value. At that time, the asset cost is reduced to reflect the fair market value.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) CAPITAL ASSETS

Capital assets are recorded at cost. Donated assets are recorded at fair market value at the time of the donation. Amortization is recorded on a straight-line basis over the assets' useful lives, at the following rates:

Buildings	40 years
Equipment	5- 10 years
Vehicles	5 years

Only capital assets with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

(f) VACATION PAY

Vacation pay is accrued in the period in which the employee earns the benefit.

(g) OPERATING AND CAPITAL RESERVES

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

(h) REVENUE RECOGNITION

Instruction and Support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions of materials and services that would otherwise have been purchased are recorded at fair market value when a fair market value can be reasonably determined.

Interest earned on trust assets and liabilities is recorded as direct increases in trust assets and liabilities.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

Externally restricted capital allocations from the province or other agencies are recorded as deferred capital allocations until the amount is invested in capital assets. Amounts invested representing funded capital assets are then transferred to unamortized capital allocations. Unamortized capital allocations are recognized as amortization of capital allocations revenue in the periods which the related amortization expense of the funded capital asset is recorded.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) PENSIONS

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the jurisdiction does not make pension contributions for certified staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $291,885 (2005 - $285,239) for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 - $1,288,924,000).

(j) CONTRIBUTED SERVICES

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

(k) FINANCIAL INSTRUMENTS

The jurisdiction's financial instruments consist of cash and temporary investments, accounts receivable, trust assets, accounts payable and accrued liabilities, trust liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

NOTE 3 ACCOUNTS RECEIVABLE

	2006	2005
	$	$
Alberta Infrastructure	163,992	1,101,789
Alberta Education	30,877	370,168
Alberta Finance	114,083	137,749
Federal government	91,573	112,019
Medicine Hat College	24,567	24,567
Other	140,312	262,995
	565,404	2,009,287

NOTE 4 OTHER CURRENT ASSETS

	2006	2005
	$	$
Inventories	448,657	505,433
Deferred charge – Capital Plan	- -	26,109
Deferred charge – Flood Expenses	- -	130,438
Alberta Capital Finance Authority share	20	20
	448,677	662,000

NOTE 5 CAPITAL ASSETS

Included in capital assets are assets under capital leases as follows:

	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE 2006	NET BOOK VALUE 2005
	$	$	$	$
Equipment	1,954,973	801,411	1,153,562	458,321

There are no amounts classified as work in progress that are not being amortized at August 31, 2006 (2005 - $393,612).

NOTE 6 BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of $2,000,000 that bears interest at bank prime rate less 0.25%. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006 (2005 – nil).

MEDICINE HAT SCHOOL DISTRICT NO. 76

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
	$	$
Alberta Education	114,083	137,749
Employee deductions payable	40,629	479,698
Accrued vacations payable	241,100	241,100
Other	1,157,754	270,007
	1,553,566	1,128,554

NOTE 8 DEFERRED REVENUE

	2006	2005
	$	$
Maintenance and Operations	- -	904,722
Classroom Resource grant	- -	134,321
Transportation	- -	410,601
Infrastructure Maintenance Program	- -	466,812
Earl Kitchener Capital Rent	284,741	191,604
Technology	- -	70,675
Alberta Initiative for School Improvement	43,682	25,393
Student tuition	33,363	56,802
High Speed Networking	- -	23,161
Other	- -	40,328
	361,786	2,324,419

NOTE 9 DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

	2006	2005
	$	$
Balance, beginning of year	634,134	728,146
Allocations received and receivable	- -	- -
Interest earned on capital allocations	- -	38
Transfers to unamortized capital allocations (Note 13)	(158,556)	(94,050)
Balance, end of year	475,578	634,134

NOTE 10 SCHOOL GENERATED ASSETS AND LIABILITIES

	2006	2005
	$	$
Balance, beginning of year	867,218	977,582
Source of School Generated Funds (SGF)		
SGF for the year	2,708,664	2,001,877
Costs of generating SGF	(596,560)	(187,112)
Net SGF available for the year	2,112,104	1,814,765
Net SGF available for spending	2,979,322	2,792,347
Application of Net SGF	(1,997,926)	(1,925,129)
Balance, end of year	981,396	867,218

NOTE 11 TRUST ASSETS AND LIABILITIES

These balances represent cash, investments and other assets that are held by the jurisdiction for the following areas:

	MARKET VALUE	COST 2006	COST 2005
	$	$	$
Deferred Salary Leave Plan	- -	- -	37,571
Scholarship trusts			
Cash	645,617	645,617	187,725
GIC – effective interest rates of 4.00% - 7.00%, due December 2006 – December 2016	1,085,643	1,059,118	1,012,811
Interest receivable	10,372	- -	- -
Stocks	246,969	144,042	147,724
Mineral rights	3,500	3,500	3,500
	1,992,101	1,852,277	1,389,331

Market value as advised by an independent source.

NOTE 12 LONG-TERM DEBT

	2006	2005
	$	$
Debenture Debt - Alberta Capital Finance Authority 7.375% to 11.625%, due September 2006 to March 2015	3,878,052	4,572,602
Obligations Under Capital Leases 7.41% to 10.54%, due September 2006 to November 2011	1,097,029	663,662
	4,975,081	5,236,264
Portion repayable within one year	(816,704)	(865,549)
	4,158,377	4,370,715

MEDICINE HAT SCHOOL DISTRICT NO. 76

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

NOTE 12 LONG-TERM DEBT (CONTINUED)

The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists of $640,290 payable to Alberta Capital Finance Authority on supported debt. Therefore, the working capital (current assets less current liabilities) is understated by this amount.

Approximate principal repayments of long-term debt are as follows:

	$
2007	816,704
2008	774,869
2009	760,583
2010	708,959
2011	671,317
2012	1,242,649
	4,975,081

Approximate repayments of obligations under capital leases are as follows:

	PRINCIPAL	INTEREST	TOTAL
	$	$	$
2007	176,414	93,728	270,142
2008	175,158	78,168	253,326
2009	190,274	63,052	253,326
2010	196,730	46,648	243,378
2011	196,628	29,820	226,448
2012	161,825	13,278	175,103
	1,097,029	324,694	1,421,723

NOTE 13 UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid. Details of the changes are as follows:

	2006	2005
	$	$
Balance, beginning of year	18,537,030	18,717,291
Supported debenture principal repayments	694,550	735,650
Transfer from deferred capital allocations (Note 9)	158,556	94,050
Capital allocation revenue	(1,219,536)	(1,009,961)
Transfer to revenue	(78,167)	- -
Transferred from deferred revenue	40,326	- -
Balance, end of year	18,132,759	18,537,030

NOTE 14 SUPPLEMENTAL CASH FLOW INFORMATION

	2006	2005
	$	$
Interest paid	468,682	573,092

NOTE 15 RELATED PARTY TRANSACTIONS

During the year, the jurisdiction entered into transactions with related parties.

The following transactions are recorded at the exchange amount which represents the amount of consideration paid or received as established and agreed to by related parties:

a) ALBERTA GOVERNMENT DEPARTMENTS

	RECEIVED & RECEIVABLE	DEFERRED NET	REVENUE 2006	REVENUE 2005
	$	$	$	$
Alberta Education	46,470,171	620,470	47,090,641	40,823,106
Alberta Infrastructure	- -	1,449,702	1,449,702	3,291,194
Alberta Capital Finance	415,895	- -	415,895	512,246
Other Alberta Government	316,931	- -	316,931	465,080
	47,202,997	2,070,172	49,273,169	45,091,626

The school jurisdiction paid $1,134,111 (2005 - $1,356,075) in principal and interest on debenture debt to the Alberta Capital Finance Authority.

NOTE 15 RELATED PARTY TRANSACTIONS (CONTINUED)

b) OTHER RELATED PARTY TRANSACTIONS

The school jurisdiction received $56,108 (2005 - $49,916) for maintaining school grounds for the Medicine Hat Catholic Separate Regional Division No. 20 and shared program fees.

The school jurisdiction received $45,533 (2005 – 56,331) for shared program fees from Prairie Rose Regional Division No. 6.

The school jurisdiction received $294,530 (2005 – $294,800) for maintaining school grounds for the Medicine Hat College. At year-end, $24,566 is due to the jurisdiction and included in accounts receivable, and is subject to normal trade terms.

The school jurisdiction incurred $315,000 (2005 - $350,000) to record its portion of the Student Health Initiative program operated by Palliser Health Region.

c) MEDICINE HAT PUBLIC SCHOOL'S EDUCATION FOUNDATION

The jurisdiction has an economic interest in the Medicine Hat Public School's Education Foundation. The Medicine Hat Public School's Education Foundation is a registered public foundation and charity created to solicit, receive and administer funds and property donated for the advancement of Medicine Hat School District No.76. The Foundation is exempt from payment of income tax under Section 149 of the Income Tax Act.

	2006	2005
	$	$
Revenue acquired by the Foundation on behalf of the school jurisdiction	123,815	85,434
Operating funds expended to earn revenue on behalf of the school jurisdiction	(150,905)	(74,851)
	(27,090)	10,583

In addition, the school jurisdiction provides certain administrative services and occupancy at no cost to the Foundation.

NOTE 16 ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Medicine Hat School District No.76 primary source of income is from the Alberta Government. The District's ability to continue viable operations is dependent on this funding.

NOTE 17 CONTINGENCIES

a) The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements as the value of equity is subject to liability claims.

NOTE 17 CONTINGENCIES (CONTINUED)

b) The District, in conduct of its normal activities, is a defendant in various legal proceedings. While the ultimate outcome of these proceedings cannot be predicted at this time, it is the opinion of the District's administration that adequate provision for these proceedings has been made in the District accounts. It is believed that the resolution of the proceedings will not have a material effect on the financial position of the District; however, should any additional losses result from the resolutions of these proceedings, such amounts would be expensed as the related amounts become known to the District.

c) The jurisdiction is contingently liable for corporate credit cards issued with a combined authorized credit limit of $1,348,340 (2005 - $1,240,600).

NOTE 18 COMMITMENTS

The jurisdiction has outstanding commitments at August 31, 2006 in the amount of $109,881 for construction contracts.

NOTE 19 BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

NOTE 20 COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

NOTE 21 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Trustees.

SCHEDULE A to the AFS

School Jurisdiction Cod 3050

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$47,090,641	$37,499,306	$5,347,626	$2,298,716	$1,944,993	$0
(2) **Alberta Infrastructure & Transportation**	$1,449,702	$0	$1,449,702			
(3) **Alberta Finance**	$415,895		$415,895			$0
(4) **Other - Government of Alberta**	$316,931	$0	$7,800	$0	$0	$309,131
(5) **Federal Government and/or First Nations**	$57,536	$56,706	$0	$0	$830	$0
(6) **Other Alberta school authorities**	$107,016	$50,908	$56,108	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$5,032	$0	$0	$0	$0	$5,032
(9) **Instruction resource fees**	$499,150	$499,150				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$841,034	$0	$0	$0	$0	$841,034
(12) **Investment income**	$315,024	$193,446	$65,404	$27,759	$28,415	$0
(13) **Gifts and donations**	$86,421	$0	$86,421	$0		$0
(14) **Rentals of facilities**	$142,989	$0	$139,135	$0	$3,854	$0
(15) **Net school generated funds**	$1,997,926	$1,997,926			$0	
(16) **Gains on disposal of capital assets**	$140,938	$140,438	$500	$0	$0	$0
(17) **Amortization of capital allocations**	$1,219,536	$0	$1,219,536	$0		$0
(18) **TOTAL REVENUES**	$54,685,771	$40,437,880	$8,788,127	$2,326,475	$1,978,092	$1,155,197
EXPENSES						
(19) **Certificated salaries**	$27,109,833	$26,889,187			$220,646	$0
(20) **Certificated benefits**	$3,888,091	$3,865,624			$22,467	$0
(21) **Uncertificated salaries and wages**	$8,050,843	$3,984,431	$2,579,462	$0	$835,157	$651,793
(22) **Uncertificated benefits**	$1,964,590	$1,055,182	$678,775	$0	$120,661	$109,972
(23) **SUB - TOTAL**	$41,013,357	$35,794,424	$3,258,237	$0	$1,198,931	$761,765
(24) **Services, contracts & supplies**	$8,540,245	$3,248,106	$3,465,895	$1,044,550	$641,777	$139,917
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$1,997,926	$1,997,926				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,219,536	$0	$1,219,536	$0	$0	$0
(28) Unsupported	$567,698	$343,965	$59,859	$0	$137,384	$26,490
(29) Total Amortization	$1,787,234	$343,965	$1,279,395	$0	$137,384	$26,490
Interest on capital debt						
(30) Supported	$415,895	$0	$415,895	$0	$0	$0
(31) Unsupported	$29,125	$24,109	$5,016	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$53,783,782	$41,408,530	$8,424,438	$1,044,550	$1,978,092	$928,172
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$901,989	($970,650)	$363,689	$1,281,925	$0	$227,025

School Jurisdiction Code: 3050

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,277,088
Base Instruction (Gr 1-12)	$29,453,699
Outreach Programs	$208,080
Home Education	$2,544
Differential Cost Funding *	$7,964,335
Other Provincial Support	
Institutional Programs	
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$35,090
Provincial Priority Targeted Funding	
Class Size Initiative	$1,284,338
Student Health Initiative (SHI)	$315,000
Alberta Initiative for School Improvement (AISI)	$758,649
High Speed Networking	$121,344
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe): IMR Revenue - $424,673	$5,670,474
Total Alberta Education Revenues	$47,090,641

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 3050

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$3,507,917	$2,092,887	$522,986		$0	$0	$6,123,790
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$1,736,527	$340,445	$9,073		$0		$2,086,045
ECS Program Unit (PUF)	$309,567	$579,072	$487,580		$0		$1,376,219
Severe Disabilities (Gr 1-12)	$830,464	$1,364,303	$182,052		$0		$2,376,819
English as a Second Language	$43,747	$0	$107		$0		$43,854
French Language Program & Francisation (all jurisdictions)	$943,368	$38,840	$5,934		$0		$988,142
First Nations, Metis and Inuit Education (ECS - Gr 12)	$69,743	$0	$14,359		$0		$84,102
Home Education	$0	$0	$2,687		$0		$2,687
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$559,486	$122,733	$76,431	$0	$0		$758,650
Student Health Initiative	$0	$0	$305,550		$0		$305,550
High Speed Networking			$141,102		$0		$141,102
Class Size	$1,477,596	$0	$0	$0	$0		$1,477,596
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$21,276,397	$501,334	$3,866,243	$0	$0	$0	$25,643,974
TOTAL EXPENSES	$30,754,812	$5,039,614	$5,614,104	$0	$0	$0	$41,408,530

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	23.1	11.5
ECS Program Unit (PUF)	4.0	30.2
Severe Disabilities (Gr 1-12)	10.5	47.1

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 3050

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		$53,783,782

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	4.00%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,151,351
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		$2,151,351
Less: 2005/2006 Board and System Administration expenses		-$1,978,092
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$173,259

* Input opening carryforward board & system administration amount available from previous years, as determined by Alberta Education and provided to school jurisdiction chief finanical officer contacts.

School Jurisdiction Code: 3050

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2004-2005

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$867,218
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$779,266	$596,560	$182,706	
Student fees (Non-Instructional) (Note 2)	$1,879,824	$0	$1,879,824	
Donations and grants to schools	$11,873	$0	$11,873	
Other (describe):	$37,701	$0	$37,701	
Net Additions to SGF	$2,708,664	$596,560		$2,112,104
Net SGF Available for Spending				$2,979,322
Application of Net School Generated Funds:				
Extra-curricular activities			$1,844,330	
School site beautification			$0	
Field Trips			$15,003	
Equipment			$69,652	
Family literacy and other community resources			$0	
Other (describe):			$68,941	
Net SGF Expended (Note 3)				$1,997,926
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$981,396

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 3050

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,658,665	$842,993		$0	$77,804	$2,579,462		$2,579,462
Uncertificated benefits	$458,505	$201,640		$0	$18,630	$678,775		$678,775
Sub-total Remuneration	$2,117,170	$1,044,633	$0	$0	$96,434	$3,258,237		$3,258,237
Contracted Services	$0	$1,258,374	$0	$891,485	$5,310	$2,155,169		$2,155,169
Supplies	$39,236	$188,654	$0	$0	$0	$227,890		$227,890
Electricity			$555,803			$555,803		$555,803
Natural Gas/Heating Fuel			$266,690			$266,690		$266,690
Sewer and Water			$185,884			$185,884		$185,884
Telecommunications			$0			$0		$0
Insurance					$74,459	$74,459		$74,459
Amortization of capital assets								
Supported							$1,219,536	$1,219,536
Unsupported						$59,859		$59,859
Total Amortization						$59,859	$1,219,536	$1,279,395
Interest on capital debt								
Supported							$415,895	$415,895
Unsupported				$0		$5,016		$5,016
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$2,156,406	$2,491,661	$1,008,377	$891,485	$176,203	$6,789,007	$1,635,431	$8,424,438
SQUARE METRES								
School Buildings								92,834.0
Non School Buildings								2,948.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 3050

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Gitta Hashizume	1.0	$17,848	$710	$0			$18,558	$9,996
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Greg Bender	1.0	$15,455	$1,839	$0			$17,294	$5,096
Name	Deborah Forbes	1.0	$16,172	$1,874	$0			$18,046	$3,535
Name	Terry Riley	1.0	$16,495	$2,473	$0			$18,968	$7,812
Name	Roy Wilson	1.0	$17,963	$0	$0			$17,963	$12,024
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*5.0*	*$83,933*	*$6,896*	*$0*			*$90,829*	*$38,463*
Superintendent		1.0	$136,221	$10,812	$5,850	$0	$0	$152,883	$15,023
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer		1.0	$125,425	$14,681	$3,300	$0	$181,769	$325,175	$6,656
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		369.5	$26,973,613	$3,871,429	$0	$0	$0	$30,845,042	
Uncertificated Salaries & Wages		238.9	$7,841,484	$1,757,946	$0	$0	$0	$9,599,430	
TOTALS			**$35,160,676**	**$5,661,764**	**$9,150**	**$0**	**$181,769**	**$41,013,359**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 27

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

MOBERLY HALL SCHOOL SOCIETY
Legal Name of School Jurisdiction

194B GRENFELL CRESCENT, FORT MCMURRAY, AB T9H 2M6
Mailing Address

PHONE: (780)743-8409 FAX: (780)743-9407
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules MOBERLY HALL SCHOOL SOCIETY (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Rick Fiedosiewich	"ORIGINAL SIGNED"
Name	**Signature**

SUPERINTENDENT

Lynn Corcoran	"ORIGINAL SIGNED"
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Teresita Pinksen	"ORIGINAL SIGNED"
Name	**Signature**

19-Dec-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 27

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Briscoe & Briscoe
Professional Corporation

Norman R. Briscoe, C.G.A., FICB
Diane J. Briscoe, C.G.A. (Retired)

CERTIFIED GENERAL ACCOUNTANTS

PO Box 1778
St Paul, Alberta, T0A 3A0
Telephone: (780) 645-7770
Fax: (780) 645-7755
E-mail dnbriscoe@mcsnet.ca

AUDITORS' REPORT

To the Board of Directors:
Moberly Hall School Society

We have audited the statement of financial position of Moberly Hall School Society as at August 31, 2006 and the statements of revenue and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance Canadian with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Moberly Hall School Society as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Briscoe + Briscoe

Certified General Accountants

St Paul, Alberta
November 21, 2006, except as to Note 12
which is as of December 5, 2006.

School Jurisdiction Code: 27

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$344,629	$279,690
Accounts receivable (net after allowances)		$46,827	$71,709
Prepaid expenses		$862	$1,667
Other current assets		$6,924	$6,924
Total current assets		$399,242	$359,990
School generated assets		$0	$0
Trust assets		$0	$0
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$0	$0
Buildings	$0		
Less: accumulated amortization	$0	$0	$0
Equipment	$11,874		
Less: accumulated amortization	($11,874)	$0	$0
Vehicles	$0		
Less: accumulated amortization	$0	$0	$0
Total capital assets		$0	$0
TOTAL ASSETS		$399,242	$359,990
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$25,255	$22,636
Deferred revenue		$0	$40,254
Deferred capital allocations		$0	$0
Current portion of all long term debt		$0	$0
Total current liabilities		$25,255	$62,890
School generated liabilities		$0	$0
Trust liabilities		$0	$0
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$0	$0
Less: Current portion of supported debt		$0	$0
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$0	$0
Total long term liabilities		$0	$0
TOTAL LIABILITIES		$25,255	$62,890
NET ASSETS			
Unrestricted net assets		$373,987	$297,100
Operating Reserves		$0	$0
Accumulated Operating Surplus (Deficit)		$373,987	$297,100
Investment in capital assets		$0	$0
Capital Reserves		$0	$0
Total Capital Funds		$0	$0
Total net assets		$373,987	$297,100
TOTAL LIABILITIES AND NET ASSETS		$399,242	$359,990

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 27

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$889,199	$876,774	$854,357
Federal Government and/or First Nations	$0	$0	$0
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$3,900	$5,150	$4,250
Transportation fees	$11,400	$16,000	$14,912
Other sales and services	$3,549	$0	$682
Investment income	$4,613	$2,200	$1,433
Gifts and donations	$0	$0	$0
Rentals of facilities	$4,950	$4,200	$5,902
Net school generated funds	$0	$0	$0
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$0	$0	$0
Total Revenues	$917,611	$904,324	$881,536
EXPENSES			
Certificated salaries	$362,796	$418,178	$363,964
Certificated benefits	$33,064	$29,273	$31,825
Uncertificated salaries and wages	$70,546	$66,000	$57,807
Uncertificated benefits	$5,058	$4,601	$4,260
Services, contracts and supplies	$369,260	$382,700	$373,629
Net school generated funds	$0	$0	$0
Capital and debt services			
Amortization of capital assets			
Supported	$0	$0	$0
Unsupported	$0	$0	$848
Total Amortization of capital assets	$0	$0	$848
Interest on capital debt			
Supported	$0	$0	$0
Unsupported	$0	$0	$0
Total Interest on capital debt	$0	$0	$0
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$840,724	$900,752	$832,333
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$76,887	$3,572	$49,203
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$76,887	$3,572	$49,203

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$76,887	$49,203
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	$0	$0
Total amortization expense	$0	$848
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$24,882	$150,444
Prepaids and other current assets	$805	($1,667)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$2,619	($102,542)
Deferred revenue	($40,254)	$15,037
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$64,939	$111,323
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	$0	$0
Equipment	$0	$0
Vehicles	$0	$0
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	$0	$0
C. FINANCING ACTIVITIES		
Capital allocations	$0	$0
Issue of long term debt	$0	$0
Repayment of long term debt	$0	$0
Add back: supported portion	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$0	$0
Net sources (uses) of cash during year	$64,939	$111,323
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$279,690	$168,367
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$344,629	$279,690

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 27

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
					INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$297,100	$0	$297,100	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$297,100	$0	$297,100	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Excess(def) of revenue over expenses	$76,887		$76,887											
Board funded capital transactions		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		$0	$0											
Amortization of capital allocations		$0	$0											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$373,987	$0	$373,987	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

School Jurisdiction Code: 27

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$0	$0
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$0	$0
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$0
Expended capital allocations - current year	$0	$0
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$0
Balance at August 31, 2006	$0	$0

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

Moberly Hall School Society delivers education programs under the authority of the *School Act* Revised Statutes of Alberta 2000, Chapter S-3

The School Society receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The school is limited on certain funding allocations and administration expenses

Moberly Hall School Society is incorporated under the Alberta Society's Act as a non-profit organization.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in kind are recorded at fair market value when reasonably determinable

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

b) Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight line basis, at the following rates

Furniture & Equipment	10%

Only capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

c) School Generated Funds

These are funds which come under the control and responsibility of the school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.) Moberly Hall School Society do not have any school generated funds. Funds which would normally be raised by the school and used for school activities are raised and expended by the Moberly Hall Parents Association. Staff and management of Moberly Hall School Society are not in positions of leadership or control over activities of the Parents Association. The activities of the Parents Association are not reported by Moberly Hall School.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

d) Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

e) Pensions

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Moberly Hall School Society does not make pension contributions for certified staff.

f) Deposits

Included in current assets is a lease deposit for lease of portable classrooms, to be applied to final lease payment.

g) Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

h) Contributed Services

Volunteers contribute a considerable number of hours per year to various school projects and activities. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

i) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization of capital assets. Actual results could differ from these estimates.

j) Financial Instruments

The school society's financial instruments consist of cash, temporary investments, accounts receivable & accounts payable. It is management's opinion that the school society is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

k) Investments

Short term investments are valued at the lower of cost or market.

3. ACCOUNTS RECEIVABLE

		2006	2005
Alberta Education	(Note 12)	$ 37,987	$ 60,630
G.S.T. Rebate Receivable		8,840	9,384
Housing Loans to Employees		-	323
Other		-	1,372
		$ 46,827	$ 71,709

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Book Value 2006	Book Value 2005
Furniture & Equipment	11,874	(11,874)	-	-
	$ 11,874	$ (11,874)	$ -	$ -

5. ACCOUNTS PAYABLE

	2006	2005
Trade Payables	$ 15,417	$ 5,799
Wages & Costs payable	7,091	-
ATRF payable	2,747	16,837
	$ 25,255	$ 22,636

6. DEFERRED REVENUE

	2006	2005
Alberta Education one time text book funding	$ -	$ 2,000
Alberta Education-O & M Funding	-	38,254
	$ NIL	$ 40,254

7. OTHER REVENUE FROM ALBERTA EDUCATION

	2006	2005
2004-2005 One Time Grant for text books	$ 2,000	$ -
One Time Grant for Class room reduction	894	-
One Time Grant for kindergarten	-	12,305
Framework French programs	132	-
O & M Funding	-	15,181
Final payment for Portables construction	374	-
	$ 3,400	$ 27,486

8. COMMITMENTS AND DISCONTINUED OPERATIONS

Moberly Hall School Society is committed under an operating lease for its premises (expires August 2007), a lease for portable classrooms (expires August 2009), and a photocopier lease (expires September 2007), to the following minimum payments:

for the year ending August 31, 2007	$ 146,757
2008	101,212
2009	100,617
	$ 348,586

A $6,924 deposit is held by Northgate Industries Ltd. for rent of portable classrooms. The lease has a minimum guaranteed term of 60 months from rental start date of August 1, 2004. Monthly rent payments are $8,384.77 ($100,617 per annum), which are funded by Alberta Education.

The society has decided to discontinue school operations at the end of the 2006/07 school year, ie June 30, 2007. The society is negotiating with the Alberta government and Fort McMurray Public School system to assume &/or payout the lease for portable classrooms. If the liability for the lease is not assumed by the province or another school jurisdiction, the society will have a $201,234 liability at August 31, 2007 for rent of the portable classrooms. The amount of any lease payout, relocation and site restoration costs, and settlement date are not known at this time.

9. RELATED PARTY TRANSACTIONS

Effective 2005/06, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Moberly Hall School Society had related party transactions for the year ended August 31, 2006 with Edmonton Public Schools recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at amount of consideration agreed upon between the related parties.

	Balances		Transactions	
2005-2006	Assets(@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta:				
Education	$ 37,987	$ -	$ 889,199	$ 8,489
Other:				
Other Alberta school jurisdictions	-	-	-	1,338
Alberta WCB	-	-	1,804	3,854
TOTAL 2005-2006	$ 37,987	$ -	$ 887,395	$ 13,681
TOTAL 2004-2005	$ 60,630	$ -	$ 854,359	$ 2,491

10. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Moberly Hall School Society's primary source of income is from the Alberta Government. The Society's ability to continue viable operations is dependent on this funding.

11. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the board of trustees. It is presented for information purposes only.

12. ACCOUNTS RECEIVABLE

The society records funding based on written commitments from the Alberta Government. Any amounts not received for the period are set up as accounts receivable. Based on the 2005/06 funding commitment the society recorded $73,776 as accounts receivable from the Alberta Government at August 31, 2006, including $62,630 for Plant Operations and Maintenance (PO&M) funding the 2005/06 school year. Subsequent to the original date of the auditor's report and board approval of the financial statements on November 21, 2006, Alberta Education advised that they had paid all amounts they were going to pay for PO&M funding the 2005/06 school year. On December 5, 2006 Alberta Education advised the society that they will be adjusting the 2005/06 school year PO&M allocation for Moberly Hall. This results in a payment owing to Moberly Hall of $26,841 for the 2005/06 school year. Accordingly the society have adjusted their accounts receivable for the PO&M allocation to $26,841 and reduced Alberta Government funding revenue by $26,841.

Accounts receivable from the Alberta Government at August 31, 2006 consists of funding for:

Plant Operations and Maintenance (PO&M) allocation	$ 26,841
Portable classroom lease support	8,033
School building lease support	3,113
	$ 37,987

SCHEDULE A to the AF!

School Jurisdiction Cod 27

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

	REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1)	**Alberta Education**	$889,199	$486,554	$320,978	$24,445	$57,222	$0
(2)	**Alberta Infrastructure & Transportation**	$0	$0	$0			
(3)	**Alberta Finance**	$0		$0			$0
(4)	**Other - Government of Alberta**	$0	$0	$0	$0	$0	$0
(5)	**Federal Government and/or First Nations**	$0	$0	$0	$0	$0	$0
(6)	**Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7)	**Out of province authorities**	$0	$0	$0	$0	$0	$0
(8)	**Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9)	**Instruction resource fees**	$3,900	$3,900				
(10)	**Transportation fees**	$11,400			$11,400		
(11)	**Other sales and services**	$3,549	$3,549	$0	$0	$0	$0
(12)	**Investment income**	$4,613	$4,613	$0	$0	$0	$0
(13)	**Gifts and donations**	$0	$0	$0	$0		$0
(14)	**Rentals of facilities**	$4,950	$4,800	$150	$0	$0	$0
(15)	**Net school generated funds**	$0	$0			$0	
(16)	**Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17)	**Amortization of capital allocations**	$0	$0	$0	$0		$0
(18)	**TOTAL REVENUES**	$917,611	$503,416	$321,128	$35,845	$57,222	$0
	EXPENSES						
(19)	**Certificated salaries**	$362,798	$362,798			$0	$0
(20)	**Certificated benefits**	$33,064	$33,064			$0	$0
(21)	**Uncertificated salaries and wages**	$70,546	$70,546	$0	$0	$0	$0
(22)	**Uncertificated benefits**	$5,058	$5,058	$0	$0	$0	$0
(23)	**SUB - TOTAL**	$471,464	$471,464	$0	$0	$0	$0
(24)	**Services, contracts & supplies**	$369,260	$31,214	$236,058	$66,834	$35,154	$0
(25)	**Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26)	**Net school generated funds**	$0	$0				
	Capital and debt services						
	Amortization of capital asset						
(27)	Supported	$0	$0	$0	$0	$0	$0
(28)	Unsupported	$0	$0	$0	$0	$0	$0
(29)	Total Amortization	$0	$0	$0	$0	$0	$0
	Interest on capital deb						
(30)	Supported	$0	$0	$0	$0	$0	$0
(31)	Unsupported	$0	$0	$0	$0	$0	$0
(32)	Other interest charges	$0	$0	$0	$0	$0	$0
(33)	Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34)	**TOTAL EXPENSES**	$840,724	$502,678	$236,058	$66,834	$35,154	$0
(35)	**EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$76,887	$738	$85,070	($30,989)	$22,068	$0

School Jurisdiction Code: 27

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$22,896
Base Instruction (Gr 1-12)	$345,905
Outreach Programs	$0
Home Education	$0
Differential Cost Funding *	$494,356
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$838
Provincial Priority Targeted Funding	
Class Size Initiative	$11,804
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$10,000
High Speed Networking	$0
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe): One-time Grant & French Program	$3,400
Total Alberta Education Revenues	$889,199

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 27

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$12,007	$12,100	$0		$0	$0	$24,107
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$0	$0	$0		$0		$0
ECS Program Unit (PUF)	$0	$0	$0		$0		$0
Severe Disabilities (Gr 1-12)	$0	$0	$0		$0		$0
English as a Second Language	$0	$0	$0		$0		$0
French Language Program & Francisation (all jurisdictions)	$0	$0	$132		$0		$132
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$0		$0		$0
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$5,929	$0	$5,110	$0	$0		$11,039
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$0		$0		$0
Class Size	$0	$11,785	$0	$0	$0		$11,785
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$377,925	$51,718	$25,134	$838	$0	$0	$455,615
TOTAL EXPENSES	$395,861	$75,603	$30,376	$838	$0	$0	$502,678

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.0	0.0
ECS Program Unit (PUF)	0.0	0.0
Severe Disabilities (Gr 1-12)	0.0	0.0

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 27

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$840,724**
STEP 1		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		**6.00%**
If "Total Net Enrolled Students" are 2,000 and less = 6%		

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$50,443
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$57,222	$57,222
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$57,222**
Less: 2005/2006 Board and System Administration expenses		-$35,154
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$22,068

School Jurisdiction Code: 27

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$0
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$0	$0	$0	
Student fees (Non-Instructional) (Note 2)	$0	$0	$0	
Donations and grants to schools	$0	$0	$0	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$0	$0		$0
Net SGF Available for Spending				$0
Application of Net School Generated Funds:				
Extra-curricular activities			$0	
School site beautification			$0	
Field Trips			$0	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe):			$0	
Net SGF Expended (Note 3)				$0
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$0

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 27

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$0	$0	$0	$0	$0		$0
Uncertificated benefits	$0	$0	$0	$0	$0	$0		$0
Sub-total Remuneration	$0	$0	$0	$0	$0	$0		$0
Contracted Services	$56,300	$9,349	$0	$0	$139,617	$205,266		$205,266
Supplies	$0	$0	$0	$0	$8,867	$8,867		$8,867
Electricity			$4,427			$4,427		$4,427
Natural Gas/Heating Fuel			$0			$0		$0
Sewer and Water			$0			$0		$0
Telecommunications			$5,228			$5,228		$5,228
Insurance					$12,270	$12,270		$12,270
Amortization of capital assets								
Supported							$0	$0
Unsupported						$0		$0
Total Amortization						$0	$0	$0
Interest on capital debt								
Supported							$0	$0
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$56,300	$9,349	$9,655	$0	$160,754	$236,058	$0	$236,058
SQUARE METRES								
School Buildings								2,360.0
Non School Buildings								0.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 27

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Rick Fiedosiewich	1.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Nanette Clark	1.0	$0	$0	$0			$0	$0
Name	Stacey Brennan	1.0	$0	$0	$0			$0	$0
Name	Holly Fulford	1.0	$0	$0	$0			$0	$0
Name	Janet Douglas	1.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*5.0*	*$0*	*$0*	*$0*			*$0*	*$0*
Superintendent	Lynn Corcoran	0.5	$12,600	$0	$0	$0	$0	$12,600	$1,247
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Terista Pinkson	0.5	$11,875	$0	$0	$0	$0	$11,875	$449
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		7.0	$362,796	$33,064	$0	$0	$0	$395,860	
Uncertificated Salaries & Wages		3.0	$70,546	$5,058	$0	$0	$0	$75,604	
TOTALS			**$457,817**	**$38,122**	**$0**	**$0**	**$0**	**$495,939**	

Note: Please refer to completion information on page 15

The superintendent's position is a part-time position.

School Jurisdiction Code: 154

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Mother Earth's Children's Charter School Society
Legal Name of School Jurisdiction

Box 1150, Wabamun, Alberta T0E 2K0
Mailing Address

Phone (780)892-7222 Fax (780)892-7223
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Mother Earth's Children's Charter School Society (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Howard Mustus — "ORIGINAL SIGNED"
Name — **Signature**

SUPERINTENDENT

John Acheson — "ORIGINAL SIGNED"
Name — **Signature**

SECRETARY TREASURER OR TREASURER

Esther Janetski — "ORIGINAL SIGNED"
Name — **Signature**

28-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

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AUDITORS' REPORT

To the Board of Trustees
Mother Earth's Children's Charter School Society

We have audited the statement of financial position of Mother Earth's Children's Charter School Society as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an audit opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Hawkings Epp Dumont LLP

Stony Plain, Alberta
November 22, 2006

HAWKINGS EPP DUMONT LLP
Chartered Accountants

Founding Partners
F.J. Bruha, CA (Deceased)
A.W. Whelan, CA (Retired)

Stony Plain Office
Phone (780) 963-2727
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*Professional Corporation

School Jurisdiction Code: 154

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$233,741	$186,007
Accounts receivable (net after allowances)		$89,002	$61,726
Prepaid expenses		$6,902	$2,978
Other current assets		$0	$0
Total current assets		$329,646	$250,711
School generated assets		$1,718	$0
Trust assets		$0	$0
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$0	$0
Buildings	$60,208		
Less: accumulated amortization	($36,124)	$24,084	$42,543
Equipment	$22,134		
Less: accumulated amortization	$0	$22,134	$0
Vehicles	$130,150		
Less: accumulated amortization	$0	$130,150	$0
Total capital assets		$176,367	$42,543
TOTAL ASSETS		$507,731	$293,254
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$62,209	$31,127
Deferred revenue		$66,835	$0
Deferred capital allocations		$0	$0
Current portion of all long term debt		$0	$0
Total current liabilities		$129,044	$31,127
School generated liabilities		$1,718	$0
Trust liabilities		$0	$0
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$0	$0
Less: Current portion of supported debt		$0	$0
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$0	$0
Total long term liabilities		$1,718	$0
TOTAL LIABILITIES		$130,762	$31,127
NET ASSETS			
Unrestricted net assets		$200,602	$219,584
Operating Reserves		$0	$0
Accumulated Operating Surplus (Deficit)		$200,602	$219,584
Investment in capital assets		$176,367	$42,543
Capital Reserves		$0	$0
Total Capital Funds		$176,367	$42,543
Total net assets		$376,968	$262,127
TOTAL LIABILITIES AND NET ASSETS		$507,731	$293,254

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 154

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$940,828	$853,015	$1,113,929
Federal Government and/or First Nations	$422,342	$353,077	$383,199
Other Alberta school authorities	$0	$0	($24,436)
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$0	$0	$8,772
Transportation fees	$0	$0	$0
Other sales and services	$3,841	$0	$17,521
Investment income	$5,846	$0	$325
Gifts and donations	$1,410	$0	$42,938
Rentals of facilities	$0	$0	$0
Net school generated funds	$0	$0	$2,925
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$0	$0	$0
Total Revenues	$1,374,268	$1,206,092	$1,545,174
EXPENSES			
Certificated salaries	$460,499	$517,187	$576,446
Certificated benefits	$38,879	$70,859	$49,292
Uncertificated salaries and wages	$162,634	$172,375	$171,070
Uncertificated benefits	$17,828	$4,517	$16,829
Services, contracts and supplies	$556,983	$515,942	$493,978
Net school generated funds	$0	$0	$2,925
Capital and debt services			
Amortization of capital assets			
Supported	$0	$0	$0
Unsupported	$22,604	$11,646	$9,563
Total Amortization of capital assets	$22,604	$11,646	$9,563
Interest on capital debt			
Supported	$0	$0	$0
Unsupported	$0	$0	$0
Total Interest on capital debt	$0	$0	$0
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$1,259,427	$1,292,526	$1,320,103
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$114,841	($86,434)	$225,071
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$114,841	($86,434)	$225,071

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$114,841	$225,071
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	$0	$0
Total amortization expense	$22,604	$9,563
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	($27,276)	$10,440
Prepaids and other current assets	($3,924)	$8,093
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$31,082	($44,542)
Deferred revenue	$66,835	($34,650)
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$204,163	$173,975
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	$0	$0
Equipment	($22,134)	$0
Vehicles	($130,150)	$0
Net proceeds from disposal of capital assets	$0	$0
Other (describe) Leasehold improvements	($4,144)	($16,495)
Total sources (uses) of cash from Investing activities	($156,428)	($16,495)
C. FINANCING ACTIVITIES		
Capital allocations	$0	$0
Issue of long term debt	$0	$0
Repayment of long term debt	$0	$0
Add back: supported portion	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$0	$0
Net sources (uses) of cash during year	$47,734	$157,480
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$186,007	$28,527
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$233,741	$186,007

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 154

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	**INVESTMENT IN CAPITAL ASSETS**	**UNRESTRICTED NET ASSETS**	**TOTAL INTERNALLY RESTRICTED NET ASSETS** Cols. 5 to 14	**INTERNALLY RESTRICTED NET ASSETS**									
					School Based		**Infrastructure**		**Board & System Admin.**		**Transportation**		**External Services**	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$262,127	$42,543	$219,584	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$262,127	$42,543	$219,584	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Excess(def) of revenue over expenses	$114,841		$114,841											
Board funded capital transactions		$156,428	($156,428)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($22,604)	$22,604											
Amortization of capital allocations		$0	$0											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			$0	$0			$0		$0		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$376,968	$176,367	$200,602	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

School Jurisdiction Code: 154

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$0	$0
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$0	$0
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$0	
	Infrastructure & Transportation-School/Modular Project Capital *	$0	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		$0	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$0
Expended capital allocations - current year		$0	$0
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$0
Balance at August 31, 2006		$0	$0

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

MOTHER EARTH'S CHILDREN'S CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2006

1. AUTHORITY AND PURPOSE

The Society delivers education programs under the authority of the School Act, Chapter S-3, Statutes of Alberta, January 1, 2002.

The Society receives block allocations for instruction and support under Regulation 72/95. The regulation limits funding and expenses for administration. It permits the Society, within specified limits, to reallocate funding between the instruction and support blocks.

2. ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependant on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies.

(a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

(b) Property and Equipment

Property and equipment is recorded at cost and is amortized over their estimated useful lives on a straightline basis, at the following annual rates:

Automotive equipment	10 years
Computer equipment	5 years
Leasehold improvements	5 years

Only property and equipment with costs in excess of $5,000 are capitalized. No amortization is recorded in the year of acquisition.

2. ACCOUNTING POLICIES (CONT'D)

(c) School Generated Funds

School generated funds are funds in the community which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

(d) Vacation Pay

Vacation pay is accrued in the period in which the benefit is earned by the employee.

(e) Pensions

The current service and past service costs of the Alberta Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Society does not make pension contributions for certificated staff.

(f) Prepaid Expenses

Certain expenses incurred and paid for before the close of the fiscal year are for specific School supplies, which will be consumed subsequent to the year-end and are accordingly recorded as prepaid expenses. Certain insurance and prepaid rent fall into this category.

(g) Contributed Services

Volunteers assist the Society in carrying out certain activities. Because of the difficulty in determining their fair value and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

(h) Financial Instruments

The Society's financial instruments consist of cash, term deposits, accounts receivable and accounts payable. It is management's opinion that the Society is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values.

(i) Investments

Short term investments are valued at the lower of cost or market.

3. ACCOUNTS RECEIVABLE

	2006	2005
Federal Government	$ 76,174	$ 7,722
Alberta Infrastructure	9,808	41,952
Other	3,020	5,156
Alexis Board of Education	-	6,896
	$ 89,002	$ 61,726

4. BANK INDEBTEDNESS

The Society has negotiated a line of credit in the amount of $50,000 that bears interest at the bank prime rate. This line of credit is secured by a borrowing bylaw and a security agreement, covering term deposits held at the bank. There was no balance outstanding on the line of credit at August 31, 2006.

5. PROPERTY AND EQUIPMENT

Details are as follows:

	Cost	Accumulated Amortization	Net Book Value 2006	2005
Automotive equipment	$ 130,150	$ -	$ 130,150	$ -
Computer equipment	22,134	-	22,134	-
Leasehold improvements	60,207	36,124	24,083	42,543
	$ 212,491	$ 36,124	$ 176,367	$ 42,543

6. ACCOUNTS PAYABLE

	2006	2005
Trade payables and accrued liabilities	$ 29,771	$ 24,497
Province of Alberta	20,016	2,586
Federal Government	12,422	4,042
	$ 62,209	$ 31,125

MOTHER EARTH'S CHILDREN'S CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2006

7. DEFERRED REVENUE

	2006	2005
Federal Government	$ 36,835	$ -
Province of Alberta	30,000	-
	$ 66,835	$ -

8. COMMITMENTS

(a) School Lease

The Society is committed to a lease agreement with 682533 Alberta Ltd. which expires August 31, 2008. Annual lease payments are as follows:

2007	48,000
2008	48,000

(b) Portable Lease

The Society is committed to a lease agreement with CIT Financial which expires August 31, 2008. Annual lease payments of $39,290 are required during the term of the lease.

(c) Portable Lease

The Society is committed to a monthly lease agreement with ATCO Structures Inc. with a 30 day notice requirement. Monthly lease payments of $485 are required.

(e) Equipment Leases

The Society is committed to a lease agreement with De Lage Landen Financial Services for photocopier equipment which expires August 31, 2009. Annual lease payments of $8,381 are required during the term of the lease.

9. ECONOMIC DEPENDENCE

The Society's primary sources of revenue are received from the Province of Alberta and the Government of Canada. The Society's ability to continue viable operations is dependent on this funding.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

SCHEDULE A to the AFS

School Jurisdiction Cod 154

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$940,828	$611,854	$215,755	$55,997	$57,222	$0
(2) **Alberta Infrastructure & Transportation**	$0	$0				
(3) **Alberta Finance**	$0		$0			$0
(4) **Other - Government of Alberta**	$0	$0	$0	$0	$0	$0
(5) **Federal Government and/or First Nations**	$422,342	$331,033	$91,309	$0	$0	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$0	$0				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$3,841	$3,024	$122	$254	$441	$0
(12) **Investment income**	$5,846	$4,092	$1,286	$234	$234	$0
(13) **Gifts and donations**	$1,410	$1,410	$0	$0		$0
(14) **Rentals of facilities**	$0	$0	$0	$0	$0	$0
(15) **Net school generated funds**	$0	$0			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$0	$0	$0	$0		$0
(18) **TOTAL REVENUES**	$1,374,268	$951,413	$308,472	$56,486	$57,897	$0
EXPENSES						
(19) **Certificated salaries**	$460,499	$460,499			$0	$0
(20) **Certificated benefits**	$38,879	$38,879			$0	$0
(21) **Uncertificated salaries and wages**	$162,634	$131,751	$29,723	$1,160	$0	$0
(22) **Uncertificated benefits**	$17,828	$13,726	$4,102	$0		$0
(23) **SUB - TOTAL**	$679,839	$644,855	$33,825	$1,160	$0	$0
(24) **Services, contracts & supplies**	$556,983	$227,424	$147,718	$121,433	$60,407	$0
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$0	$0				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$0	$0	$0	$0	$0	$0
(28) Unsupported	$22,604	$0	$22,604	$0	$0	$0
(29) Total Amortization	$22,604	$0	$22,604	$0	$0	$0
Interest on capital debt						
(30) Supported	$0	$0	$0	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$1,259,427	$872,279	$204,147	$122,593	$60,407	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$114,841	$79,134	$104,325	($66,108)	($2,510)	$0

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$12,720
Base Instruction (Gr 1-12)	$274,698
Outreach Programs	
Home Education	$0
Differential Cost Funding *	$620,597
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$996
Provincial Priority Targeted Funding	
Class Size Initiative	$9,967
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$18,250
High Speed Networking	$2,639
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe): One Time Class Size Reduction	$961
Total Alberta Education Revenues	$940,828

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 154

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support		$28,398	$8,734			$0	$37,133
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$0	$0	$0		$0		$0
ECS Program Unit (PUF)	$0	$0	$0		$0		$0
Severe Disabilities (Gr 1-12)	$0	$110,448	$3,290		$0		$113,738
English as a Second Language	$0	$0	$0		$0		$0
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$42,567	$0	$31,108		$0		$73,675
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$8,422	$2,881	$4,322	$0	$0		$15,625
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$4,019		$0		$4,019
Class Size	$0	$0		$0	$15,796		$15,796
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$448,388	$3,750	$171,969	$3,982	($15,796)	$0	$612,293
TOTAL EXPENSES	$499,377	$145,477	$223,442	$3,982	$0	$0	$872,279

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.0	0.0
ECS Program Unit (PUF)	0.0	0.0
Severe Disabilities (Gr 1-12)	0.0	4.9

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 154

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$1,259,427**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**6.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$75,566

Considerations for Charter Schools and Small School Boards:

If **Charter School**, enter $57,222	$57,222	$75,566
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$75,566**
Less: 2005/2006 Board and System Administration expenses		-$60,407
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$15,159

School Jurisdiction Code: 154

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$0
Source of Net School Generated Funds:				
Fundraising activities	$4,008	$2,290	$1,718	
Student fees (Non-Instructional) (Note 2)	$0	$0	$0	
Donations and grants to schools	$0	$0	$0	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$4,008	$2,290		$1,718
Net SGF Available for Spending				$1,718
Application of Net School Generated Funds:				
Extra-curricular activities			$0	
School site beautification			$0	
Field Trips			$0	
Equipment				
Family literacy and other community resources			$0	
Other (describe):			$0	
Net SGF Expended (Note 3)				$0
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$1,718

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 154

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$28,749	$974	$0	$0	$0	$29,723		$29,723
Uncertificated benefits	$4,065	$37	$0	$0	$0	$4,102		$4,102
Sub-total Remuneration	$32,814	$1,011	$0	$0	$0	$33,825		$33,825
Contracted Services	$0	$8,196	$2,756		$100,350	$111,302		$111,302
Supplies	$4,280	$1,457	$0	$0	$2,554	$8,291		$8,291
Electricity			$5,614			$5,614		$5,614
Natural Gas/Heating Fuel			$11,207			$11,207		$11,207
Sewer and Water			$3,652			$3,652		$3,652
Telecommunications			$5,777			$5,777		$5,777
Insurance					$1,876	$1,876		$1,876
Amortization of capital assets								
Supported							$0	$0
Unsupported						$22,604		$22,604
Total Amortization						$22,604	$0	$22,604
Interest on capital debt								
Supported							$0	$0
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$37,094	$10,664	$29,006	$0	$104,780	$204,147	$0	$204,147
SQUARE METRES								
School Buildings								7,920.0
Non School Buildings								0.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 154

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Wilson Bearhead	1.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Patti Laboucane-Benson	1.0	$0	$0	$0			$0	$0
Name	Howard Mustus	1.0	$0	$0	$0			$0	$0
Name	Karen Erickson	1.0	$0	$0	$0			$0	$0
Name	Jeremy Seeseequasis	1.0	$0	$0	$0			$0	$0
Name	Charlene Crowe	0.8	$0	$0	$0			$0	$0
Name	Lola Baydala	0.4	$0	$0	$0			$0	$0
Name	Edna Arcand	0.1	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		6.3	*$0*	*$0*	$0			*$0*	*$0*
Superintendent	John Brosseau	0.2	$20,448	$227	$0	$0	$0	$20,675	$0
Superintendent	John Acheson	0.1	$11,510	$127	$0	$0	$0	$11,637	$0
Secretary/Treasurer	Esther Janetzki	0.3	$22,325	$248	$0	$0	$0	$22,572	$0
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		8.5	$460,499	$38,879	$0	$0	$0	$499,378	
Uncertificated Salaries & Wages		7.0	$162,634	$17,828	$0	$0	$0	$180,462	
TOTALS			**$677,416**	**$57,308**	**$0**	**$0**	**$0**	**$734,724**	

Note: Please refer to completion information on page 15